New Mexico State Office
P.O. Box 27115
Santa Fe, NM 87502-0115

Competitive Oil & Gas Lease Sale

April 20, 2005

www.nm.blm.gov
Bureau of Land Management
474 Rodeo Road
Santa Fe NM 87504
NOTICE OF COMPETITIVE LEASE SALE
Oil and Gas

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

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

Attached to this notice, beginning on page 1, is a list of the lands we are offering. The lands are described by parcel number and legal land description. Next to each parcel we have listed any stipulations that will be made a part of the lease at the time of issuance. We have also identified those parcels where the United States owns less than 100 percent interest in the oil and gas mineral rights, have pending pre-sale noncompetitive offers to lease, and are not available for noncompetitive offers to lease if they receive no bid at this sale. For your convenience, we are also including copies of the stipulations, affecting the parcels in this sale notice.

When and where will the sale take place?

When: The competitive sale will begin at 9:00 a.m. on Wednesday, April 20, 2005. The Lobby Area at the National Park Service, Paisano Building will be used to register all bidders. Registration will start at 8:00 a.m. through 9:30 a.m. so you can obtain your bidding number.

Where: We will hold the sale at the NATIONAL PARK SERVICE, in the second floor conference room, (Cactus Room No. 2080), 2968 Rodeo Park Drive West, Paisano Building, Santa Fe, New Mexico, 87505 (see attached map).

Access: The sale room is accessible to persons with disabilities. If you need an auxiliary aid or service to participate in the sale, such as sign language interpreter or material in an alternate format, contact the New Mexico State Office, Marcella Montoya at (505) 438-7537 by April 8, 2005.
How will the sale be conducted?
The sale will be conducted by oral auction. You must make your bids verbally. The winning bid is the highest verbal bid equal to or exceeding the National minimum acceptable bid.

How do I participate in the bidding process?

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

What is the sale process?

Starting at 9:00 a.m. on the day of the sale:
- The auctioneer will offer the parcels in the order they are shown in this Notice.
- All bids are on a per-acre basis for the entire acreage in the parcel;
- The winning bid is the highest oral bid
- The decision of the auctioneer is final.

The minimum bid BLM can accept is $2 per acre. If a parcel contains fractional acreage, you must round the acreage up to the next whole acre. For example, a parcel of 100.51 acres requires a minimum bid of $202 ($2 x 101 acres).

How long will the sale last?

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

What conditions apply to the lease sale?

- Parcel withdrawal or sale cancellation: We reserve the right to withdraw any or all parcels before the sale begins. If we withdraw a parcel, we will post a notice in the New Mexico State Office Information Access Center (Public Room) before the day of the sale. We will announce withdrawn parcels before beginning the sale. If we cancel the sale, we will notify you as soon as possible.

- Fractional interests: If the United States owns less than 100 percent of the oil and gas mineral interest for the land in a parcel we will show that information with the parcel. When we issue the lease, it will be for the percentage or fraction of interest the United States owns. However, you must calculate your bonus bid and advance rental payment on the gross acreage in the parcel, not the United States net interest. For example, if a parcel contains 200 acres and the United States owns 50 percent of the oil and gas mineral interest, the minimum bonus bid will be $400 ($2 X 200 acres) and the advance annual rental will be $300 ($1.50 X 200 acres) for the first 5 years and $400 ($2 X 200 acres) for the remainder of the lease term. Conversely, your chargeable acreage and royalty on production will be calculated on the United States net oil and gas mineral interest.
Payment due on the day of the sale: For each parcel you are the successful high bidder, you must pay the minimum bonus bid of $2 per acre or fraction of an acre; the first years’ advance annual rental of $1.50 per acre or fraction of an acre; and a non-refundable administrative fee of $75. You must make this payment in our Accounts Section at the BLM office either during, or immediately following the sale.

Remaining payments: If your bonus bid was more than $2 per acre or fraction of an acre and you didn’t pay the full amount on the day of the sale, you must pay the balance of your bonus bid by 4:00 p.m. on May 4, 2005, which is the 10\textsuperscript{th} working day following the sale. If you do not pay in full by this date, you lose the right to the lease and you will forfeit the money you paid on the day of the sale. If you forfeit a parcel, we may offer it at a later sale.

Forms of payment: You may pay by personal check, certified check, money order, or credit card, and if you choose a wire transfer please contact the Accounts Section, Roberta Sandoval at (505) 438-7462. Make checks payable to: “Department of the Interior-BLM.” We cannot accept cash. If a check you have sent to us in the past has been returned for insufficient funds, we may ask that you give us a guaranteed payment, such as a certified check. Note for customers planning to pay with Credit Card, effective February 1, 2005, BLM will not accept credit or debit card payments to the Bureau for any amount equal to or greater than $100,000. Payments of $100,000 or more should be made by Automated Clearing House (ACH) or Federal Wire Transfer. We suggest that no one plan to make a payment of $100,000 or more by credit card. If you pay by credit card and the transaction is refused, we will try to notify you early enough so that you can make other payment arrangements. However, we cannot grant you any extension of time to pay the money that is due the day of the sale.

Bid Form: On the day of the sale, if you are a successful bidder you must give us a properly completed and signed competitive bid form (Form 3000-2, October 1989, or later edition) with your payment. This form is a legally binding offer by the prospective lessee to accept a lease and all its terms and conditions. Once the form is signed, you cannot change it. We will not accept any bid form that has information crossed out or is otherwise altered.

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

1. You and the prospective lessee are qualified to hold an oil and gas lease under our regulations at 43 CFR 3102.5-2; and
2. Both of you have complied with 18 U.S. C. 1860, a law that prohibits unlawful combinations, intimidation of and collusion among bidders.

A copy of the bid form is included with this notice.

Lease terms: A lease issued as a result of this sale will have a primary term of 10 years. It will continue beyond its primary term as long as oil or gas is produced in paying quantities on or for the benefit of the lease. Advance rental at $1.50 per acre or fraction of an acre for the first 5 years ($2 per acre after that) is due on or before the anniversary date each year until production begins. Once a lease is producing, you must pay a royalty of 12.5 percent of the value or the amount of production removed or sold from the lease. You will find other lease terms on our standard lease form (Form 3100-11, June 1988 or later edition, copy included).
**Stipulations:** Some parcels have special requirements or restrictions which are called stipulations. These are noted with each of the parcels. Stipulations are part of the lease and supersede any inconsistent provisions of the lease form.

**Lease Issuance:** After we receive the bid form and all the money due, and, if appropriate, your unit joinder information, we can issue the lease. Usually, a lease is effective the first day of the month following the month in which we sign it. If you want your lease to be effective the first day of the month in which we sign it, you must ask us in writing to do this. We have to receive your request before we sign the lease.

**Legal Land Descriptions:** We prepared this Notice with land status information from our Legacy Rehost 2000 (LR2000) case recordation system. We are providing you with the following information to assist you in understanding the legal descriptions given for each parcel:

- Numbers shown after the Section are a listing of the lots in the parcel.
- Lands are described separately by lots, aliquot parts, tracts, and exceptions to survey for each section.
- LR2000 will code a ½ Township as a 2 in the database. This 2 will appear as the last digit in the number. For example, T. 14 ½ N., will appear as T. 0142N.

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

**Other Conditions of the Sale:** At the time the sale begins, we will make any rules regarding sale procedures that we feel are necessary for the proper conduct of the sale.

**NONCOMPETITIVE OFFERS TO LEASE**

What parcels are available for noncompetitive offers to lease?

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

How do I file a noncompetitive offer after the sale?

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

- Three (3) copies of form 3100-11, Offer to Lease and Lease for Oil and Gas properly completed and signed. *(Note: We will accept copies of the official form, including computer generated forms, that are legible and have no additions, omissions, other changes, or advertising. If you copy this form you must copy both sides on one page. If you copy the form on 2 pages or use an obsolete lease form, we will reject your offer).* You must describe the lands in your offer as specified in our regulations at 43 CFR 3110.5; and
-Your payment for the total of the $75 filing fee and the first year’s advance rental ($1.50 per acre or fraction of an acre). Remember to round up any fractional acreage when you calculate the rental amount.

For your convenience, you may leave your noncompetitive offers for any parcel which has received no bid with the Accounts Staff. We consider all offers filed the day of the sale and the first business day after it, for any of the unsold parcels, to be filed as of 9:00 a.m. the first business day following the day of the sale. If a parcel receives more than one offer, we will hold a drawing to select the winner (see 43 CFR 1822.17). We have identified those parcels that have pending presale offers. A noncompetitive presale offer to lease has priority over any other noncompetitive offer to lease filed after the sale. The Non-Competitive Drawing will be held on Monday, April 25, 2005, at 3:00 p.m. at the NMSO Public Room.

How do I file a noncompetitive presale offer?

Under our regulations at 43 CFR 3110.1(a), you may file a noncompetitive presale offer for lands that:
- Are available, and;
- Have not been under lease during the previous one-year period, or;
- Have not been included in a competitive lease sale within the previous two-year period.
- Your noncompetitive presale offer to lease must be filed prior to the official posting of this sale notice.

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

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

We have tentatively scheduled our next competitive sale for July 20, 2005. Please send nominations for that sale by March 11, 2005.

How can I find out the results of this sale?

We will post the sale results in the New Mexico State Office Information Access Center (Public Room). You can buy ($5.00) a printed copy of the results by contacting our Accounts Staff, at (505) 438-7462. The results list is also available on our public internet website: http://www.nm.blm.gov

May I protest BLM’s Decision to offer the lands in this notice for lease?

-If you are adversely affected by our decision to offer the lands in this Notice for lease, you may protest the decision to the State Director under regulations 43 CFR 3120.1-3. You must submit your protest in writing to the State Director prior to the day of the sale. Generally, if we are
unable to decide the protest before the sale, we will hold the sale while we consider the merits of your protest.

- You may review the decision to offer the lands for lease and the supporting National Environmental Policy Act documents at our New Mexico State Office Business Information Access Center. Our office hours are from 8:00 a.m. to 4:00 p.m. Monday through Friday, except on National Holidays.

Inclement Weather Conditions

On occasion the Santa Fe area will have an abundance of snow or other weather conditions that prohibit the staff to make it to work safely at regular scheduled business hours. In the event of hazardous weather, please tune in to local television or radio stations.

The procedure for future Oil and Gas Lease Sales scheduled on a business day with a 2-hour delay or the Office is closed for Business the BLM will proceed as follows:

1. In the event of a 2-hour delay - the doors to the BLM, NMSO will remain locked until 9:30 a.m. The Oil and Gas Lease Sale will begin at 11:00 a.m. with registration starting at 10:00 a.m., please call (505) 438-7400 for recorded information on delays.

2. In the event that the BLM office is CLOSED for Business on the day of an Oil and Gas Lease Sale, the sale will be cancelled and rescheduled at a later date. Please call (505) 438-7400 for recorded information on closures.

Every effort will be made to post the information on delays of Closed for Business on the main entrance exterior doors of the building.

Your safety and the safety of our BLM employees is our major concern.

Power Outages

In the event of a power outage, the office will be CLOSED.

Whom should I contact if I have a question?

For general information, please contact our Information Access Center at (505) 438-7565 or 438-7530.

Gloria S. Baca
Land Law Examiner
Fluids Adjudication Team
NOTICE

The Bureau of Land Management will hold four (4) Competitive Oil and Gas Lease Sales during Fiscal Year 2006. The tentative scheduled dates are shown below:

<table>
<thead>
<tr>
<th>Sale Date(s)</th>
<th>Team Lead For Sale</th>
<th>Expression of Interest (EOI) Closing Date(s)*</th>
<th>Posted on Website/ And Presale Aplns Mailed to the Public</th>
</tr>
</thead>
<tbody>
<tr>
<td>10/19/2005</td>
<td>Lou</td>
<td>06/10/2005</td>
<td>08/31/2005</td>
</tr>
<tr>
<td>01/18/2006</td>
<td>Gloria</td>
<td>09/09/2005</td>
<td>11/30/2005</td>
</tr>
<tr>
<td>07/19/2006</td>
<td>Lou</td>
<td>03/10/2006</td>
<td>05/26/2006</td>
</tr>
</tbody>
</table>

*Federal lands administered by an agency outside of the Department of the Interior require Surface Management Agency (SMA) consent. Meeting the closing dates does NOT guarantee your EOI will be on the scheduled sale date.

You may request to receive the Oil and Gas Lease Sale Notice to check whether the lands are being offered. Contact our Accounts Section at (505) 438-7462 to be placed on our mailing list by either opening a declining deposit account with a minimum amount of $50.00 or you may purchase a single Sale Notice for $5.00 each plus postage and handling.

Every effort will be made to offer your EOI in a timely manner.

/signed/ Gloria S. Baca

Gloria S. Baca
Land Law Examiner
Fluids Adjudication Team
PLEASE FILL IN THE NAME AND ADDRESS AS IT SHOULD APPEAR ON THE ISSUED LEASE

NEW BIDDER REGISTRATION FORM

BIDDER NO. ________
(Leave Blank)

NAME: ______________________________________________

TELEPHONE: _________________________________________

ADDRESS: _____________________________________________

CITY: ________________________________________________

STATE: ______________________ ZIP CODE: _______________

E-MAIL ADDRESS:______________________________________

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

__________________________________________  ________________________
SIGNATURE  DATE
The appropriate regulations applicable to this bid are: (1) for oil and gas leases—43 CFR 3120; (2) for National Petroleum Reserve-Alaska (NPR-A) leases—43 CFR 3132; and (3) for Geothermal resources leases—43 CFR 3220. (See details concerning lease qualifications on reverse.)

I CERTIFY THAT I have read and am in compliance with, and not in violation of, the lessee qualification requirements under the applicable regulations for this bid.

I CERTIFY THAT this bid is not in violation of 18 U.S.C. 1860 which prohibits unlawful combination or intimidation of bidders. I further certify that this bid was arrived at independently and is tendered without collusion with any other bidder for the purpose of restricting competition.

IMPORTANT NOTICE: Execution of this form, where the offer is the high bid, constitutes a binding lease offer, including all applicable terms and conditions. Failure to comply with the applicable laws and regulations under which this bid is made shall result in rejection of the bid and forfeiture of all monies submitted.

Print or Type Name of Lessee

Address of Lessee

City State Zip Code

**INSTRUCTIONS**

1. Separate bid for each parcel is required. Identify parcel by the parcel number assigned in the Notice of Competitive Lease Sale.

2. Bid must be accompanied by the national minimum acceptable bid, the first year's rental and the administrative fee. The remittance must be in the form specified in 43 CFR 3103.1-1. The remainder of the bonus bid, if any, must be submitted to the proper BLM office within 10 working days after the last day of the oral auction. Failure to submit the remainder of the bonus bid within 10 working days will result in rejection of the bid offer and forfeiture of all monies paid.

3. If bidder is not the sole party in interest in the lease for which the bid is submitted, all other parties in interest may be required to furnish evidence of their qualifications upon written request by the authorized officer.

4. This bid may be executed (signed) before the oral auction. If signed before the oral auction, this form cannot be modified without being executed again.

5. In view of the above requirement (4), bidder may wish to leave AMOUNT OF BID section blank so that final bid amount may be either completed by the bidder or the Bureau of Land Management at the oral auction.

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**INSTRUCTIONS FOR OIL AND GAS BID**

1. Separate bid for each parcel is required. Identify parcel by the number assigned to a tract.

2. Bid must be accompanied by one-fifth of the total amount of bid. The remittance must be in the form specified in 43 CFR 3220.4 for a Geothermal Resources bid and 3132.2 for a NPR-A lease bid.

3. Mark envelope Bid for Geothermal Resources Lease in (Name of KGRA) or Bid for NPR-A Lease, as appropriate. Be sure correct parcel number of tract on which bid is submitted and date of bid opening are noted plainly on envelope. No bid may be modified or withdrawn unless such modification or withdrawal is received prior to time fixed for opening of bids.

4. Mail or deliver bid to the proper BLM office or place indicated in the Notice of Competitive Lease Sale.

5. If bidder is not the sole party in interest in the lease for which bid is submitted, all other parties in interest may be required to furnish evidence of their qualifications upon written request by the authorized officer.

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**INSTRUCTIONS FOR GEOTHERMAL OR NPR-A OIL AND GAS BID**

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

(Continued on reverse)
QUALIFICATIONS

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

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

NOTICE

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


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

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

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

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

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

This information will be used to determine the bidder submitting the highest bid. Response to this request is required to obtain a benefit.

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

BURDEN HOURS STATEMENT

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

OFFER TO LEASE AND LEASE FOR OIL AND GAS

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

READ INSTRUCTIONS BEFORE COMPLETING

Name
Street
City, State, Zip Code

2. This application/offer/lease is for: (Check only One) □ PUBLIC DOMAIN LANDS □ ACQUIRED LANDS (percent U.S. interest

Surface managing agency if other than BLM: _______________________________ Unit/Project _______________________________

Legal description of land requested: *Parcel No.: __________________________ *Sale Date (m/d/y): ______/_____/_____

SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.

T. R. Meridian State County

Amount remitted: Filing fee $ ______________________
Rental fee $ ______________________

Total acres applied for __________

Total $ ______________________

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. R. Meridian State County

Total acres in lease __________

Rental retained $ ______________________

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas (except helium) in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior’s regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease: THE UNITED STATES OF AMERICA

□ Noncompetitive lease (ten years)

by ______________________

(Signing Officer)

□ Competitive lease (ten years)

___________

(Title)

___________

(Date)

□ Other ______________________

EFFECTIVE DATE OF LEASE ______________________

(Continued on reverse)
LEASE TERMS

Sec. 1. Rental.—Rental shall be paid to proper office of lessor in advance for each lease year. Annual rental rates are as follows:

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

If this lease or a portion hereof is terminated to an approved cooperative or unit plan which includes a well capable of producing leased resources, the lessor shall have the right to retain a prorated proportion of the allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating and gas-royalty lease.

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

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

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

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

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

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

Sec. 3. Bonds.—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, utilization, and drainage.—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessee reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, in order to access the lease for proper development of the lease area by the government or lessee or by the operators of adjoining leases embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessee.

Sec. 5. Documents, evidence, and inspection.—Lessee shall file with the proper office of lessee, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. As such times and in such form as lessee may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide government with a schematic diagram of the development work, development work and improvements, and reports of inspections with respect to properties in interest, expenditures, and depreciation costs. In the form prescribed by lessee, lessee shall keep a daily drilling record, a log, information on production tests, and a record of subsurface investigations and furnishing copies to lessee when required. Lessee shall keep open at all reasonable times for inspections by any authorized officer of lessee, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or on the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and transportation costs. All such records shall be maintained in lessee's accounting offices for future study by lessee. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessee.

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

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

Prior to disturbing the surface of the leased lands, lessee shall contact lessee to apprise of procedures to be followed and modifications or reclamation measures that may be necessary. Any modifications of, and modifications, and any changes in the location of, improvements, and other assets on the leased lands shall be timely notified to other lessees. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessee. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessee. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations.—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessee reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium.—Lessee reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessee at no expense to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property.—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity.—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessee reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 2(4)(b) of the War Power Act of 1920.

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

Sec. 11. Transfer of lease interests and relinquishment of lease.—As required by regulations, lessee shall file with lessee any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and any successors to the lessee.

Sec. 12. Delivery of premises.—At such time as all or portions of this lease are returned to lessee, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessee and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessee for preservation of producible wells.

Sec. 13. Proceedings in case of default.—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or reclassification agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessee of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of POGORMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest.—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assigns of the respective parties hereeto.

(Signature of Lessee or Attorney-in-fact)
**BUREAU OF LAND MANAGEMENT**  
**NEW MEXICO STATE OFFICE**  
April 20, 2005, Lease Sale Statistics by State  
Parcels with and without Pre-sale Noncompetitive Priority Offers

<table>
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NM-200504-001  2560.000 Acres
T.0090S, R.0220E, 23 PM, NM
Sec. 011  ALL;
013  ALL;
014  ALL;
015  ALL;
Chaves County
Roswell FO
NMMN 36600, NMMN 83534, NMMN 83716
Stipulations:
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-17 Slopes or Fragile Soils
SENM-S-21 Caves and Karst
SENM-S-25 Visual Resource Management

NM-200504-002  920.000 Acres
T.0220S, R.0220E, 23 PM, NM
Sec. 015  NENE,S2NE,W2,SE;
021  E2;
Eddy County
Carlsbad FO
NMMN 70184, NMMN 88086
Stipulations:
NM-11-LN Special Cultural Resource Lease Notice
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-15 Wildlife Habitat Projects
SENM-S-18 Streams, Rivers, and Floodplains
SENM-S-25 Visual Resource Management

NM-200504-003  1199.180 Acres
T.0010N, R.0250E, 23 PM, NM
Sec. 001  LOTS 1-4;
001  S2N2;
002  S2N2;
007  LOTS 1-4;
007  E2W2;
011  SE;
013  E2SW;
015  SW;
De Baca County
Roswell FO
NMMN 23807, NMMN 24761, NMMN 32537, NMMN 66075
Stipulations:
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-17 Slopes or Fragile Soils
SENM-S-20 Springs, Seeps and Tanks
SENM-S-21 Caves and Karst
SENM-S-25 Visual Resource Management

NM-200504-004  963.240 Acres
T.0010N, R.0250E, 23 PM, NM
Sec. 004  LOTS 3,4;
004  S2NN;
005  S2;
006  LOTS 1,2;
006  S2NE;
008  N2;
De Baca County
Roswell FO
NMMN 23807, NMMN 24761, NMMN 32537
Stipulations:
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-18 Streams, Rivers, and Floodplains
SENM-S-21 Caves and Karst
SENM-S-25 Visual Resource Management

NM-200504-005  800.000 Acres
T.0010N, R.0250E, 23 PM, NM
Sec. 018  E2;
019  E2;
020  W2NE,N2SE;
De Baca County
Roswell FO
NMMN 23807, NMMN 24761
Stipulations:
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-21 Caves and Karst
SENM-S-25 Visual Resource Management

NM-200504-006  838.500 Acres
T.0010N, R.0250E, 23 PM, NM
Sec. 019  LOTS 1-3;
019  E2NW,NESW;
021  NW;
022  NW;
023  E2NE,NWNE;
024  N2NW,NW;
030  LOTS 2;
030  SENW;
De Baca County
Roswell FO
NMMN 24761, NMMN 66075
Stipulations:
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-17 Slopes or Fragile Soils
SENM-S-18 Streams, Rivers, and Floodplains
SENM-S-21 Caves and Karst
SENM-S-25 Visual Resource Management

NM-200504-007  480.150 Acres
T.0010N, R.0250E, 23 PM, NM
Sec. 028  SWNW;
030  SWNE,W2SE;
031  LOTS 3,4;
031  E2SW,SE;
De Baca County
Roswell FO
NMMN 23807, NMMN 24761, NMMN 66075
Stipulations:
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-18 Streams, Rivers, and Floodplains
SENM-S-21 Caves and Karst
SENM-S-25 Visual Resource Management
New Mexico – SE

NM-200504-008  1347.220 Acres
T.0010S, R.0250E, 23 PM, NM
Sec. 006  LOTS 1-14;
006  E2SW,SE;
 018  E2;
 019  E2;

De Baca County
Roswell FO
NMNM 32849, NMNM 80635
Stipulations:
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-18 Streams, Rivers, and Floodplains
SENM-S-21 Caves and Karst
SENM-S-25 Visual Resource Management

NM-200504-009  804.020 Acres
T.0010S, R.0250E, 23 PM, NM
Sec. 019  LOTS 3,4;
 019  E2SW;
 030  LOTS 1,2;
 030  E2NW;
 031  LOTS 3,4;
 031  E2SW,SE;
 033  S2SW,W2SE;

De Baca County
Roswell FO
NMNM 32849, NMNM 80635
Stipulations:
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-18 Streams, Rivers, and Floodplains
SENM-S-21 Caves and Karst
SENM-S-25 Visual Resource Management

NM-200504-010  960.000 Acres
T.0010S, R.0250E, 23 PM, NM
Sec. 028  W2;
 029  NE,S2;
 030  SE;

De Baca County
Roswell FO
NMNM 32849, NMNM 80635
Stipulations:
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-18 Streams, Rivers, and Floodplains
SENM-S-21 Caves and Karst
SENM-S-25 Visual Resource Management

New Mexico – NE

NM-200504-011  1240.680 Acres
T.0020N, R.0250E, 23 PM, NM
Sec. 003  LOTS 1,2;
 003  SENE;
 010  N2,N2S2,SNSW;
 015  E2NE,W2NW,SW,W2SE;
 020  E2NE,S2SE;
 029  NENE;

De Baca County
Roswell FO
NMNM 63509, NMNM 64823
Stipulations:
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-18 Streams, Rivers, and Floodplains
SENM-S-21 Caves and Karst
SENM-S-25 Visual Resource Management

NM-200504-012  1194.860 Acres
T.0020N, R.0250E, 23 PM, NM
Sec. 004  LOTS 2-4;
 004  SWNE,S2NW,SW;
 005  LOTS 1,2;
 005  S2NE,SE;
 006  LOTS 1-5;
 006  S2NE,SENW;
 009  SE;

De Baca County
Roswell FO
NMNM 63509, NMNM 64309
Stipulations:
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-18 Streams, Rivers, and Floodplains
SENM-S-21 Caves and Karst
SENM-S-25 Visual Resource Management

NM-200504-013  630.120 Acres
T.0020N, R.0250E, 23 PM, NM
Sec. 021  NESW,SE;
 028  N2NE,NWWNW;
 031  LOTS 1,2;
 031  NE,E2NW;

De Baca County
Roswell FO
NMNM 64309, NMNM 64823
Stipulations:
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-17 Slopes or Fragile Soils
SENM-S-21 Caves and Karst
SENM-S-25 Visual Resource Management

NM-200504-014  1519.510 Acres
T.0030N, R.0250E, 23 PM, NM
Sec. 004  LOTS 4;
 004  SWNE,S2NW,SW,N2SE,SWSE;
 005  LOTS 1,2;
 005  S2NE,S2;
 006  LOTS 1-7;
 006  S2NE,SENW,E2SW,SE;

De Baca County
Roswell FO
NMNM 56632
Stipulations:
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-18 Streams, Rivers, and Floodplains
SENM-S-21 Caves and Karst
SENM-S-25 Visual Resource Management

NM-200504-015  1244.960 Acres
T.0030N, R.0250E, 23 PM, NM
Sec. 007  LOTS 1-4;
 007  E2,E2NW;
 008  N2,N2SW,SE;
 009  SWNW,NKSW;

De Baca County
Roswell FO
NMNM 56632
Stipulations:
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-18 Streams, Rivers, and Floodplains
SENM-S-21 Caves and Karst
SENM-S-25 Visual Resource Management
NM-200504-016 480.000 Acres
T.0030N, R.0250E, 23 PM, NM
Sec. 012 SWSW;
  013 NWNN, NWNS;
  014 NENE;
  015 N2S2;
  022 W2SW;
  024 SENW, SWSW;
De Baca County
Roswell FO
NMNM 63510
Stipulations:
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-18 Streams, Rivers, and Floodplains
SENM-S-21 Caves and Karst
SENM-S-25 Visual Resource Management

NM-200504-017 370.190 Acres
T.0030N, R.0250E, 23 PM, NM
Sec. 017 N2NE;
  018 LOTS 3,4;
  018 E2SW;
  019 LOTS 1,4;
  019 NENN, S2SW;
De Baca County
Roswell FO
NMNM 56632
Stipulations:
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-18 Streams, Rivers, and Floodplains
SENM-S-19 Playas and Alkali Lakes
SENM-S-21 Caves and Karst
SENM-S-25 Visual Resource Management

NM-200504-018 469.010 Acres
T.0030N, R.0250E, 23 PM, NM
Sec. 019 E2E2;
  031 LOTS 3,4;
  031 E2SW, SE;
De Baca County
Roswell FO
NMNM 56632, NMNM 63510
Stipulations:
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-19 Playas and Alkali Lakes
SENM-S-21 Caves and Karst
SENM-S-25 Visual Resource Management

NM-200504-019 721.050 Acres
T.0130N, R.0250E, 23 PM, NM
Sec. 006 LOTS 2;
  007 LOTS 3,4;
  007 NENE, E2SW;
  008 SENW, NWNN;
  010 LOTS 2,3,4;
  010 NESW;
  015 LOTS 1;
  015 NWNE;
  017 SESE;
  018 LOTS 1,4;
  018 NESW;
San Miguel County
Taos FO
NMNM 43893
Stipulations:
NM-11-LN Special Cultural Resource Lease Notice

NM-200504-020 160.000 Acres
T.0130N, R.0250E, 23 PM, NM
Sec. 015 NW;
San Miguel County
Taos FO
NMNM 43893
Stipulations:
NM-11-LN Special Cultural Resource Lease Notice

New Mexico - SE

NM-200504-021 320.000 Acres
T.0190S, R.0250E, 23 PM, NM
Sec. 035 N2;
Eddy County
Carlsbad FO
NMNM 3806, NMNM 8247, NMNM 0504364-A
Stipulations:
NM-11-LN Special Cultural Resource Lease Notice
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-21 Caves and Karst
SENM-S-25 Visual Resource Management
SENM-S-31 Northern Aplomado Falcon Suitable Habitat

NM-200504-022 680.000 Acres
T.0220S, R.0250E, 23 PM, NM
Sec. 027 S2SE;
  035 N2NE, SWNE, NW, S2;
Eddy County
Carlsbad FO
NMNM 92750
Stipulations:
NM-11-LN Special Cultural Resource Lease Notice
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-17 Slopes or Fragile Soils
SENM-S-21 Caves and Karst
SENM-S-25 Visual Resource Management
NM-200504-023  1762.090 Acres
T.0260S, R.0250E, 23 PM, NM
Sec. 018 LOTS 3,4;
 018  E2,E2SW;
 019  LOTS 1-4;
 019  E2,E2W;
 020  ALL;
Eddy County
Carlsbad FO
NMNM 53956, NMNM 69152, NMNM 81603
NMNM 66531, NMNM 90512
Stipulations:
NM-11-LN Special Cultural Resource Lease Notice
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-17 Slopes or Fragile Soils
SENM-S-21 Caves and Karst
SENM-S-32 Guadalupe Escarpment VRM Class III

NM-200504-024  960.000 Acres
T.0260S, R.0250E, 23 PM, NM
Sec. 022  ALL;
 023  W2;
Eddy County
Carlsbad FO
NMNM 63720, NMNM 63721, NMNM 78225
Stipulations:
NM-11-LN Special Cultural Resource Lease Notice
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-18 Streams, Rivers, and Floodplains
SENM-S-21 Caves and Karst
SENM-S-25 Visual Resource Management

NM-200504-025  40.000 Acres
T.0090S, R.0260E, 23 PM, NM
Sec. 017  SWSW;
Chaves County
Roswell FO
NMNM 85861
Stipulations:
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-19 Playas and Alkali Lakes
SENM-S-21 Caves and Karst
SENM-S-25 Visual Resource Management

NM-200504-026  200.000 Acres
T.0140S, R.0260E, 23 PM, NM
Sec. 024  SE;
 026  NWSE;
Chaves County
Roswell FO
NMNM 54265
Stipulations:
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-18 Streams, Rivers, and Floodplains
SENM-S-20 Springs, Seeps and Tanks
SENM-S-21 Caves and Karst
SENM-S-25 Visual Resource Management

NM-200504-027  120.250 Acres
T.0150S, R.0260E, 23 PM, NM
Sec. 003  LOTS 3,4;
 003  SENE;
Chaves County
Roswell FO
NMNM 54265, NMNM 86600
Stipulations:
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-21 Caves and Karst
SENM-S-25 Visual Resource Management

NM-200504-028  1120.000 Acres
T.0200S, R.0260E, 23 PM, NM
Sec. 020  ALL;
 029  N2,SW;
Eddy County
Carlsbad FO
BUREAU OF RECLAMATION - BRANTLEY LAKE
NMNM 78229
Stipulations:
NM-11-LN Special Cultural Resource Lease Notice
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-5 Threatened Plant Species (Gypsum Wild-Buckwheat)
SENM-S-18 Streams, Rivers, and Floodplains
SENM-S-20 Springs, Seeps and Tanks
SENM-S-25 Visual Resource Management
SENM-S-28 NSO - Brantley Lake State Park
BOR-MLS WO-BOR-7

NM-200504-029  120.000 Acres
T.0210S, R.0260E, 23 PM, NM
Sec. 033   W2NW,SENW;
Eddy County
Carlsbad FO
NMNM 0265356
Stipulations:
NM-11-LN Special Cultural Resource Lease Notice
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-18 Streams, Rivers, and Floodplains
SENM-S-25 Visual Resource Management

NM-200504-030  120.000 Acres
T.0220S, R.0260E, 23 PM, NM
Sec. 023  SENW,E2SW;
Eddy County
Carlsbad FO
SENM-S-21 Caves And Karst
Stipulations:
NM-11-LN Special Cultural Resource Lease Notice
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-18 Streams, Rivers, and Floodplains
SENM-S-21 Caves and Karst
SENM-S-25 Visual Resource Management
NM-200504-031        1720.000 Acres
T.0260S, R.0260E, 23 PM, NM
Sec. 001  ALL;
  011  N2,SW,W2SE,SESE;
  012  N2,S2S2;
Eddy County
Carlsbad FO
NMNM 69276, NMNM 84848
NMNM 84849, NMNM 88564
Stipulations:
NM-11-LN Special Cultural Resource Lease Notice
SENM-S-17 Slopes or Fragile Soils
SENM-S-18 Streams, Rivers, and Floodplains

NM-200504-032        640.000 Acres
T.0260S, R.0260E, 23 PM, NM
Sec. 004  ALL;
Eddy County
Carlsbad FO
NMNM 85865
Stipulations:
NM-11-LN Special Cultural Resource Lease Notice
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-17 Slopes or Fragile Soils
SENM-S-21 Caves and Karst

NM-200504-033        1280.000 Acres
T.0260S, R.0260E, 23 PM, NM
Sec. 009  ALL;
  010  ALL;
Eddy County
Carlsbad FO
NMNM 64488, NMNM 69159, NMNM 85865
Stipulations:
NM-11-LN Special Cultural Resource Lease Notice
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-17 Slopes or Fragile Soils
SENM-S-21 Caves and Karst

NM-200504-034        1280.000 Acres
T.0260S, R.0260E, 23 PM, NM
Sec. 013  ALL;
  014  ALL;
Eddy County
Carlsbad FO
NMNM 57237, NMNM 62898, NMNM 66914
NMNM 84849, NMNM 88566
Stipulations:
NM-11-LN Special Cultural Resource Lease Notice
SENM-S-17 Slopes or Fragile Soils
SENM-S-18 Streams, Rivers, and Floodplains

NM-200504-035        1280.000 Acres
T.0260S, R.0260E, 23 PM, NM
Sec. 015  ALL;
  017  ALL;
Eddy County
Carlsbad FO
NMNM 10592, NMNM 64487, NMNM 64488
NMNM 69159, NMNM 85867
Stipulations:
NM-11-LN Special Cultural Resource Lease Notice
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-5 Threatened Plant Species
(Gypsum Wild-Buckwheat)
Sec.17: All
SENM-S-17 Slopes or Fragile Soils
SENM-S-20 Springs, Seeps and Tanks
SENM-S-21 Caves and Karst

NM-200504-036        1760.000 Acres
T.0260S, R.0260E, 23 PM, NM
Sec. 020  N2,SE;
  021  ALL;
  022  ALL;
Eddy County
Carlsbad FO
NMNM 35927, NMNM 62177, NMNM 69158
NMNM 69159, NMNM 85867
Stipulations:
NM-11-LN Special Cultural Resource Lease Notice
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-17 Slopes or Fragile Soils
SENM-S-20 Springs, Seeps and Tanks
SENM-S-21 Caves and Karst

NM-200504-037        1280.000 Acres
T.0260S, R.0260E, 23 PM, NM
Sec. 023  ALL;
  024  ALL;
Eddy County
Carlsbad FO
NMNM 62176, NMNM 85866
Stipulations:
NM-11-LN Special Cultural Resource Lease Notice
SENM-S-17 Slopes or Fragile Soils

NM-200504-038        1581.510 Acres
T.0260S, R.0260E, 23 PM, NM
Sec. 028  ALL;
  029  ALL;
  033  LOTS 2-4;
  033  N2N2;
  034  LOTS 1-3;
Eddy County
Carlsbad FO
NMNM 20944, NMNM 69158, NMNM 69169
Stipulations:
NM-11-LN Special Cultural Resource Lease Notice
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-17 Slopes or Fragile Soils
SENM-S-18 Streams, Rivers, and Floodplains
SENM-S-20 Springs, Seeps and Tanks
SENM-S-21 Caves and Karst
New Mexico – NE

**NM-200504-039** 1440.600 Acres  
T.0010N, R.0270E, 23 PM, NM  
Sec. 001 LOTS 1-4;  
001 S2N2,SE;  
012 E2;  
013 ALL;  
De Baca County  
Roswell FO  
NMNM 36331, NMNM 36925  
NMNM 63521, NMNM 67757  
Stipulations:  
SENM-LN-1 Cave - Karst Occurrence Area  
SENM-S-19 Playas and Alkali Lakes  
SENM-S-21 Caves and Karst  
SENM-S-25 Visual Resource Management

**NM-200504-040** 1120.000 Acres  
T.0010N, R.0270E, 23 PM, NM  
Sec. 024 LOTS 1-4;  
025 S2N2, S2;  
De Baca County  
Roswell FO  
NMNM 63521  
Stipulations:  
SENM-LN-1 Cave - Karst Occurrence Area  
SENM-S-18 Streams, Rivers, and Floodplains  
SENM-S-20 Springs, Seeps and Tanks  
SENM-S-21 Caves and Karst  
SENM-S-25 Visual Resource Management

New Mexico – SE

**NM-200504-041** 1106.500 Acres  
T.0010S, R.0270E, 23 PM, NM  
Sec. 001 LOTS 3-6, 11, 12;  
001 SW;  
012 N2SE;  
013 NE;  
024 SESW, SE;  
025 W2;  
De Baca County  
Roswell FO  
NMNM 54269, NMNM 62178, NMNM 62179  
Stipulations:  
SENM-LN-1 Cave - Karst Occurrence Area  
SENM-S-17 Slopes or Fragile Soils  
SENM-S-18 Streams, Rivers, and Floodplains  
SENM-S-19 Playas and Alkali Lakes  
SENM-S-20 Springs, Seeps and Tanks  
SENM-S-21 Caves and Karst  
SENM-S-25 Visual Resource Management

**NM-200504-042** 160.000 Acres  
T.0020N, R.0270E, 23 PM, NM  
Sec. 025 SE;  
De Baca County  
Roswell FO  
NMNM 67758, NMNM 80961  
Stipulations:  
SENM-LN-1 Cave - Karst Occurrence Area  
SENM-S-21 Caves and Karst  
SENM-S-25 Visual Resource Management

**NM-200504-043** 646.400 Acres  
T.0020S, R.0270E, 23 PM, NM  
Sec. 001 LOTS 1-4;  
001 S2N2, S2;  
De Baca County  
Roswell FO  
NMNM 36959  
Stipulations:  
SENM-LN-1 Cave - Karst Occurrence Area  
SENM-S-19 Playas and Alkali Lakes  
SENM-S-21 Caves and Karst  
SENM-S-25 Visual Resource Management

**NM-200504-044** 124.020 Acres  
T.0040S, R.0270E, 23 PM, NM  
Sec. 007 LOTS 3, 4;  
007 NESW;  
Chaves County  
Roswell FO  
NMNM 102927  
Stipulations:  
SENM-LN-1 Cave - Karst Occurrence Area  
SENM-S-19 Playas and Alkali Lakes  
SENM-S-21 Caves and Karst  
SENM-S-25 Visual Resource Management

**NM-200504-045** 160.000 Acres  
T.0190S, R.0270E, 23 PM, NM  
Sec. 009 LOTS 3, 4;  
009 S2NE, E2SW;  
Eddy County  
Carlsbad FO  
NMNM 27641  
Stipulations:  
SENM-LN-1 Special Cultural Resource Lease Notice  
SENM-LN-1 Cave - Karst Occurrence Area  
SENM-S-17 Slopes or Fragile Soils  
SENM-S-21 Caves and Karst

**NM-200504-046** 80.000 Acres  
T.0190S, R.0270E, 23 PM, NM  
Sec. 029 N2SW;  
Eddy County  
Carlsbad FO  
BUREAU OF RECLAMATION - BRANTLEY LAKE  
Stipulations:  
NM-11-LN Special Cultural Resource Lease Notice  
SENM-LN-1 Cave - Karst Occurrence Area  
SENM-S-18 Streams, Rivers, and Floodplains  
SENM-S-21 Caves and Karst  
BOR-MLS  
WO-BOR-7 Endangered Species – Sec. 7
NM-200504-047  40,000 Acres  
T.0190S, R.0270E, 23 PM, NM  
Sec. 029  NNWN;  
Eddy County  
Carlsbad FO  
BUREAU OF RECLAMATION – BRANTLEY LAKE  
Stipulations:  
NM-11-LN Special Cultural Resource Lease Notice  
SENM-LN-1 Cave – Karst Occurrence Area  
SENM-S-18 Streams, Rivers, and Floodplains  
SENM-S-21 Caves and Karst  
BOR-MLS  
WO-BOR-7 Endangered Species – Sec. 7  

NM-200504-048  640,000 Acres  
T.0250S, R.0270E, 23 PM, NM  
Sec. 017  ALL;  
Eddy County  
Carlsbad FO  
NMNM 046505, NMNM 068648  
Stipulations:  
NM-11-LN Special Cultural Resource Lease Notice  
SENM-LN-1 Cave – Karst Occurrence Area  
SENM-S-17 Slopes or Fragile Soils  
SENM-S-18 Streams, Rivers, and Floodplains  
SENM-S-21 Caves and Karst  

New Mexico – NE  
NM-200504-049  1,116.970 Acres  
T.0010N, R.0280E, 23 PM, NM  
Sec. 005  LOTS 3,4; 007  E2; 018  LOTS 3,4; 019  LOTS 1-4; 019  E2W2;  
De Baca County  
Roswell FO  
NMNM 81064  
Stipulations:  
SENM-LN-1 Cave – Karst Occurrence Area  
SENM-S-17 Slopes or Fragile Soils  
SENM-S-19 Playas and Alkali Lakes  
SENM-S-21 Caves and Karst  
SENM-S-25 Visual Resource Management  

New Mexico – SE  
NM-200504-050  827.250 Acres  
T.0010S, R.0280E, 23 PM, NM  
Sec. 006  LOTS 1-5; 006  S2NE,SENW; 007  LOTS 3,4; 007  NE,E2SW,S2SE; 018  E2NE;  
De Baca County  
Roswell FO  
NMNM 54269, NMNM 81241, NMNM 81242  
Stipulations:  
SENM-LN-1 Cave – Karst Occurrence Area  
SENM-S-18 Streams, Rivers, and Floodplains  
SENM-S-20 Springs, Seeps and Tanks  
SENM-S-21 Caves and Karst  
SENM-S-25 Visual Resource Management  

NM-200504-051  631.320 Acres  
T.0010S, R.0280E, 23 PM, NM  
Sec. 019  E2; 031  LOTS 3,4; 031  E2SW,SE;  
De Baca County  
Roswell FO  
NMNM 81242  
Stipulations:  
SENM-LN-1 Cave – Karst Occurrence Area  
SENM-S-18 Streams, Rivers, and Floodplains  
SENM-S-19 Playas and Alkali Lakes  
SENM-S-20 Springs, Seeps and Tanks  
SENM-S-21 Caves and Karst  
SENM-S-25 Visual Resource Management  

NM-200504-052  994.560 Acres  
T.0020N, R.0280E, 23 PM, NM  
Sec. 029  N2NW,SWNN; 030  LOTS 2,3,4; 030  E2,SENW,SE2SW; 031  LOTS 1,2; 031  NE,SE2W;  
De Baca County  
Roswell FO  
NMNM 33619, NMNM 67758, NMNM 80961  
Stipulations:  
SENM-LN-1 Cave – Karst Occurrence Area  
SENM-S-19 Playas and Alkali Lakes  
SENM-S-21 Caves and Karst  
SENM-S-25 Visual Resource Management  

NM-200504-053  40.000 Acres  
T.0140S, R.0280E, 23 PM, NM  
Sec. 025  NNWN;  
Chaves County  
Roswell FO  
NMNM 76997  
Stipulations:  
SENM-LN-1 Cave – Karst Occurrence Area  
SENM-S-17 Slopes or Fragile Soils  
SENM-S-21 Caves and Karst  
SENM-S-25 Visual Resource Management  

NM-200504-054  164.430 Acres  
T.0140S, R.0280E, 23 PM, NM  
Sec. 030  LOTS 1; 030  N2NE,NENN;  
Chaves County  
Roswell FO  
NMNM 76997  
Stipulations:  
SENM-LN-1 Cave – Karst Occurrence Area  
SENM-S-17 Slopes or Fragile Soils  
SENM-S-21 Caves and Karst  
SENM-S-25 Visual Resource Management  

NM-200504-055 240.000 Acres
T.0150S, R.0290E, 23 PM, NM
Sec. 010 S2SE;
015 NE;
Chaves County
Roswell FO
NMNM 93202
Stipulations:
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-19 Playas and Alkali Lakes
SENM-S-21 Caves and Karst
SENM-S-25 Visual Resource Management

NM-200504-056 400.000 Acres
T.0190S, R.0300E, 23 PM, NM
Sec. 003 SW;
004 S2SW,SE;
Eddy County
Carlsbad FO
NMNM 16636
Stipulations:
NM-11-LN Special Cultural Resource Lease Notice
SENM-S-1 Potash Stipulation
SENM-S-19 Playas and Alkali Lakes
SENM-S-22 Prairie Chickens
SENM-S-23 Sand Dune Lizard
SENM-S-25 Visual Resource Management
except Sec.3: NESW, for wells drilled no deeper than the base of the Delaware Mountain Group or 5000', which ever is greater.
SENM-S-35 Sand Dune Lizard Habitat
Sec 4: SESW
SENM-S-36 LPC/SDL Habitat - Zone 3

NM-200504-057 160.000 Acres
T.0230S, R.0300E, 23 PM, NM
Sec. 019 SE;
Eddy County
Carlsbad FO
NMNM 27729
Stipulations:
NM-11-LN Special Cultural Resource Lease Notice
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-1 Potash Stipulation
SENM-S-21 Caves and Karst
SENM-S-30 NSO - Potash Area Sec. 19: NESE
This parcel contains a shut-in well. The Successful bidder will be required to submit a $10,000.00 or adequate bonding to assume liability for the well, unless adequate statewide or nationwide bond coverage is being maintained.

NM-200504-058 360.000 Acres
T.0240S, R.0320E, 23 PM, NM
Sec. 015 NE/W;
033 W2;
Lea County
Carlsbad FO
NMNM 90905
Stipulations:
NM-11-LN Special Cultural Resource Lease Notice
SENM-S-15 Wildlife Habitat Projects
SENM-S-19 Playas and Alkali Lakes
SENM-S-22 Prairie Chickens
SENM-S-37 NSO Lesser Prairie Chicken Zone 4

NM-200504-059 210.650 Acres
T.0240S, R.0320E, 23 PM, NM
Sec. 018 LOTS 1,2;
018 SWNE,E2NW;
Lea County
Carlsbad FO
NMNM 30070, NMNM 88165
Stipulations:
NM-11-LN Special Cultural Resource Lease Notice
SENM-S-22 Prairie Chickens
SENM-S-37 NSO Lesser Prairie Chicken Zone 4

NM-200504-060 40.000 Acres
T.0240S, R.0320E, 23 PM, NM
Sec. 023 NNNW;
Lea County
Carlsbad FO
NMLC 062269E
Stipulations:
NM-11-LN Special Cultural Resource Lease Notice
SENM-S-22 Prairie Chickens
SENM-S-37 NSO Lesser Prairie Chicken Zone 4

NM-200504-061 240.000 Acres
T.0260S, R.0320E, 23 PM, NM
Sec. 008 NE,E2SE;
Lea County
Carlsbad FO
NMNM 19447
Stipulations:
NM-11-LN Special Cultural Resource Lease Notice
SENM-S-22 Prairie Chickens

NM-200504-062 280.000 Acres
T.0260S, R.0320E, 23 PM, NM
Sec. 009 SW,W2SE,SESE;
Lea County
Carlsbad FO
NMNM 19447
Stipulations:
NM-11-LN Special Cultural Resource Lease Notice

NM-200504-063 600.000 Acres
T.0220S, R.0330E, 23 PM, NM
Sec. 035 N2,N2SW,SESE,SE;
Lea County
Carlsbad FO
NMLC 92777
Stipulations:
NM-11-LN Special Cultural Resource Lease Notice
SENM-S-22 Prairie Chickens
SENM-S-23 Sand Dune Lizard
SENM-S-36 NSO LPC SDL Zone 3
Sec. 35: E2
NM-200504-064 1039.890 Acres
T.0230S, R.0330E, 23 PM, NM
Sec. 005 LOTS 3,4;
005 SWNW, W2SE;
011 ALL;
014 SW;
Lea County
Carlsbad FO
NMNM 92194, NMNM 92778, NMNM 93216
Stipulations:
NM-11-LN Special Cultural Resource Lease Notice

NM-200504-065 640.000 Acres
T.0260S, R.0340E, 23 PM, NM
Sec. 001 ALL;
Lea County
Carlsbad FO
NMNM 94116
Stipulations:
NM-11-LN Special Cultural Resource Lease Notice
SENM-S-19 Playas and Alkali Lakes
SENM-S-22 Prairie Chickens
SENM-S-37 NSO Lesser Prairie Chicken Zone 4

NM-200504-066 40.000 Acres
T.0130S, R.0360E, 23 PM, NM
Sec. 027 SWSE;
Lea County
Carlsbad FO
NMNM 86944
Stipulations:
NM-11-LN Special Cultural Resource Lease Notice

NM-200504-067 240.000 Acres
T.0130S, R.0370E, 23 PM, NM
Sec. 023 NW, SWSW, NESE;
Lea County
Carlsbad FO
NMNM 66931, NMNM 83109, NMNM 87277
Stipulations:
NM-11-LN Special Cultural Resource Lease Notice
SENM-S-19 Playas and Alkali Lakes

New Mexico – NW
NM-200504-068 40.000 Acres
T.0300N, R.0140W, 23 PM, NM
Sec. 003 NWNNW;
San Juan County
Farmington FO
NMNM 57170
Stipulations:
None

OKLAHOMA PUBLIC DOMAIN
Oklahoma – NE

NM-200504-069 224.710 Acres
T.0050N, R.0190E, 17 PM, OK
Sec. 010 TOWNSITE ADDITION #2;
010 13-19, 28, 45, 84-90;
Latimer County
Tulsa FO
OKNM 043951
Stipulations:
NM-8 Coal Reserves (Lease Notice)
ORA-1 Floodplain Protection (CSU)
ORA-2 Wetland/Riparian (CSU)
ORA (LN-1) Threatened & Endangered Species

NM-200504-070 1.160 Acres
T.0020N, R.0280E, 11 PM, OK
Sec. 025 ALL (0.28 ac);
036 ALL (0.88 ac);
Beaver County
Amarillo FO
OKNM 58069
Stipulations:
ORA-3 Season of Use Stipulation
ORA-4 No Surface Occupancy Stipulation

Oklahoma – NW

NM-200504-071 161.410 Acres
T.0110N, R.0080W, 17 PM, OK
Sec. 019 LOT 8;
019 ACCR&RIP TO L8(26.38AC);
019 RMNDR OF NESW(14.40AC);
019 ACCR&RIP TO NESW(47.21AC);
019 ACCR&RIP TO NWSE(28.01AC);
019 RMNDR NWSE (4.91 AC);
019 RMNDR NESE (10.67AC);
019 ACCR&RIP TO NESE(0.87AC);
019 SEE EXH A FOR M&B;
Canadian County
Tulsa FO
OKNM 56568
Stipulations:
ORA-1 Floodplain Protection (CSU)
ORA-2 Wetland/Riparian (CSU)
ORA (LN-1) Threatened & Endangered Species
NM-200504-072     29.810 Acres
T.0180N, R.0170W, 17 PM, OK
Sec. 015  LOT 1 (8.75 AC);
            ACC&RIP TO LOT 1 (19.30 AC);
            REMNDR OF L5 (1.76 AC);
            SEE EXH B FOR M&B W/MAP;
Dewey County
Tulsa FO
Stipulations:
ORA-1 Floodplain Protection (CSU)
ORA-2 Wetland/Riparian (CSU)
ORA (LN-1) Threatened & Endangered Species

NM-200504-073     40.000 Acres
T.0130N, R.0240W, 17 PM, OK
Sec. 024  NWNE;
Roger Mills County
Tulsa FO
BLACK KETTLE NATIONAL GRASSLANDS
OKNM 37615
Stipulations:
FS1
FS3 (OK) CSU1
FS3 (OK) CSU2
FS3 (OK) LN1

OKLAHOMA ACQUIRED

NM-200504-074     1880.000 Acres
T.0250N, R.0220W, 17 PM, OK
Sec. 021  W2E2, W2;
            N2, E2SW, SE;
            NENE;
            E2;
Harper County
Tulsa FO
AGRICULTURE RESEARCH SERVICE
50% MINERAL INTEREST
SEC. 21:  W2NE, NW; SEC. 29:  E2, NW
SEC. 30:  NENE; SEC. 32:  NE
Stipulations:
ARS-1
ARS-2

TENNESSEE ACQUIRED

NM-200504-075     289.890 Acres
T.403,    TX PM, TX
TRACT TR S2x, Parcel #1;
SEE EXHIBIT C FOR M&B'S
Sabine County
Tulsa FO
Quad No. 3193213
Sabine National Forest
Stipulations:
FS1
FS8 (TX) CSU1A
FS8 (TX) CSU1C
FS8 (TX) CSU1J
FS8 (TX) LN3C
FS8 (TX) LN4A

NM-200504-076     36.860 Acres
T.505,    TX PM, TX
TRACT Z-102-A;
Zapata County
Tulsa FO
INTERNATIONAL BOUNDARY AND WATER COMMISSION
Quad No. 2699413
TXNM 99070
Stipulations:
IBWC-SS (1B)
ORA-1 Floodplain Protection (CSU)
ORA-2 Wetland/Riparian (CSU)

Number of Parcels - 76
Total Acreage - 51,652.97
Total number of Parcels with Presale Offers - 0
Parcel Number of Parcels with Presale Offers - 0
Total Acreage With Presale Offers - 0

Any portion of the listed lands may be deleted upon
determination that such lands are not available for
leasing.
METES AND BOUNDS DESCRIPTION
OF LOT 8 (28.96 ACRES) AND THE ACCRETION AND RIPARIAN ACREAGE
TO LOT 8, SECTION 19, T. 11 N., R. 08 W.,
LOCATED ALONG THE CANADIAN RIVER,
CANADIAN COUNTY, OKLAHOMA
(Bearings and Distances are Geodetic)

BEGINNING at the ancient meander corner on the ancient left bank between
Section 19, T. 11 N., R. 08 W., and Section 24, T. 11 N., R. 09 W., Canadian County,
Oklahoma, said point being the Southwest corner of said lot 8.

THENCE along the ancient left bank, South 64° 55’ 00” East a distance of 97.02 feet
to a point on the 1984 left bank;

THENCE along the 1984 left bank the following courses and distances:
South 88° 27’ 40” East a distance of 546.34 feet;
North 77° 32’ 00” East a distance of 329.34 feet;
North 56° 53’ 00” East a distance of 472.56 feet to the Southeast
corner of said Lot 8;

THENCE South 01° 50’ 40” East a distance of 1099.59 feet to a proportional point
on the 2004 left bank;

THENCE South 00° 24’ 49” West a distance of 135.03 feet to a point on the 2004
medial line;

THENCE along the 2004 medial line the following courses and distances:
North 89° 35’ 11” West a distance of 22.25 feet;
North 79° 03’ 40” West a distance of 404.54 feet;
North 72° 04’ 23” West a distance of 323.93 feet;
North 71° 32’ 06” West a distance of 255.63 feet;
North 67° 21’ 34” West a distance of 287.21 feet;
North 60° 27’ 22” West a distance of 322.71 feet;
North 59° 30’ 19” West a distance of 106.83 feet to a point;

THENCE North 30° 29’ 41” East a distance of 139.55 feet to a proportional point on
the 2004 left bank;

THENCE North 30° 18’ 46” East a distance of 299.82 feet to the POINT OF
BEGINNING, and containing 26.38 acres of land more or less.
METES AND BOUNDS DESCRIPTION
OF THE REMAINDER OF THE NORTHEAST QUARTER OF THE
SOUTHWEST QUARTER, SECTION 19, T. 11 N., R. 08 W.,
LOCATED ALONG THE CANADIAN RIVER,
CANADIAN COUNTY, OKLAHOMA
(Bearings and Distances are Geodetic)

BEGINNING at the center of Section 19, T. 11 N., R. 08 W., Canadian County, Oklahoma.

THENCE along the East line of the Northeast Quarter of the Southwest Quarter of said Section 19, South 00° 00’ 00” West a distance of 259.09 feet to a point on the 1984 left bank;

THENCE along the 1984 left bank the following courses and distances:
   South 82° 22’ 04” West a distance of 144.97 feet;
   South 29° 09’ 12” West a distance of 176.26 feet;
   South 77° 12’ 14” West a distance of 179.04 feet;
   North 71° 35’ 46” West a distance of 169.46 feet;
   South 81° 24’ 33” West a distance of 395.61 feet;
   South 71° 50’ 07” West a distance of 388.22 feet to a point, said point being the Southeast corner of Lot 8;

THENCE along the West line of the Northeast Quarter of the Southwest Quarter, North 00° 00’ 00” East a distance of 649.44 feet to a BLM Aluminum Cap at the Northwest corner of the Northeast Quarter of the Southwest Quarter.

THENCE along the North line of the Northeast Quarter of the Southwest Quarter, South 87° 48’ 00” East a distance of 1325.94 feet to the POINT OF BEGINNING, and containing 14.40 acres of land more or less.
METES AND BOUNDS DESCRIPTION
OF THE ACCRETION AND RIPARIAN ACREAGE
TO THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF
SECTION 19, T. 11 N., R. 08 W.,
LOCATED ALONG THE CANADIAN RIVER,
CANADIAN COUNTY, OKLAHOMA
(Bearings and Distances are Geodetic)

BEGINNING at the intersection of the East line of the Northeast Quarter of the Southwest Quarter and the 1984 left bank, said point being South 00° 00’ 00” West a distance of 259.09 feet from the Center of Section 19, T. 11 N., R. 08 W., Canadian County, Oklahoma.

THENCE South 15° 06’ 23” East a distance of 1224.98 feet to a proportional point on the 2004 left bank;

THENCE South 25° 02’ 36” East a distance of 117.54 feet to a point on the 2004 medial line;

THENCE along the 2004 medial line the following courses and distances:
  South 64° 57’ 23” West a distance of 162.49 feet;
  South 62° 16’ 47” West a distance of 193.19 feet;
  South 74° 47’ 24” West a distance of 294.00 feet;
  South 78° 52’ 43” West a distance of 261.78 feet;
  South 61° 29’ 59” West a distance of 42.83 feet;
  South 88° 59’ 22” West a distance of 295.27 feet;
  North 84° 32’ 39” West a distance of 275.09 feet;
  North 89° 35’ 11” West a distance of 194.14 feet to a point;

THENCE North 00° 24’ 49” East a distance of 135.03 feet to a proportional point on the 2004 left bank;

THENCE North 01° 50’ 40” West a distance of 1099.59 feet to a point on the 1984 left bank, said point also being the Southeast corner of Lot 8;

THENCE along the 1984 left bank the following courses and distances:
  North 71° 50’ 07” East a distance of 388.22 feet;
  North 81° 24’ 33” East a distance of 395.61 feet;
  South 71° 35’ 46” East a distance of 169.46 feet;
  North 77° 12’ 14” East a distance of 179.04 feet;
  North 29° 09’ 12” East a distance of 176.26 feet;
  North 82° 22’ 04” East a distance of 144.97 feet to the
POINT OF BEGINNING, and containing 47.21 acres of land more or less.
METES AND BOUNDS DESCRIPTION
OF THE REMAINDER OF THE NORTHWEST QUARTER OF THE
SOUTHEAST QUARTER, SECTION 19, T. 11 N., R. 08 W.,
LOCATED ALONG THE CANADIAN RIVER,
CANADIAN COUNTY, OKLAHOMA
(Bearings and Distances are Geodetic)

BEGINNING at the center of Section 19, T. 11 N., R. 08 W., Canadian County,
Oklahoma.

THENCE along the North line of the Northwest Quarter of the Southeast Quarter,
South 87° 48’ 00” East a distance of 1313.40 feet to the Northeast corner of the
Northwest Quarter of the Southeast Quarter of said Section 19;

THENCE along the East line of the Northwest Quarter of the Southeast Quarter of
said Section 19, South 00° 00’ 00” West a distance of 89.74 feet to a point on the
1984 left bank;

THENCE along the 1984 left bank the following courses and distances:
  North 87° 28’ 25” West a distance of 175.09 feet;
  South 82° 42’ 20” West a distance of 349.58 feet;
  South 84° 49’ 23” West a distance of 548.25 feet;
  South 82° 22’ 04” West a distance of 246.94 feet to a point on the
  West line of the Northwest Quarter of the Southeast Quarter of said
  Section 19;

THENCE along the West line of the Northwest Quarter of the Southeast Quarter,
North 00° 00’ 00” East a distance of 259.09 feet to the POINT OF BEGINNING,
and containing 4.91 acres of land more or less.
METES AND BOUNDS DESCRIPTION
OF THE ACCRETION AND RIPARIAN ACREAGE
TO THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER
OF SECTION 19, T. 11 N., R. 08 W.,
LOCATED ALONG THE CANADIAN RIVER,
CANADIAN COUNTY, OKLAHOMA

BEGINNING at the intersection of the West line of the Northwest Quarter of the
Southeast Quarter and the 1984 left bank, said point being South 00°00'00" West
a distance of 259.09 feet from the Center of Section 19, T. 11 N., R. 08 W.,
Canadian County, Oklahoma.

THENCE along the 1984 left bank the following courses and distances:
North 82°22'04" East a distance of 246.94 feet;
North 84°49'23" East a distance of 548.25 feet;
North 82°42'20" East a distance of 349.58 feet;
South 87°28'25" East a distance of 175.09 feet to a point on the
East line of the Northwest Quarter of the Southeast Quarter of said
Section 19;

THENCE South 07°27'33" East a distance of 221.85 feet to a proportional point on
the 2004 left bank;

THENCE South 56°38'14" East a distance of 127.57 feet to a point on the 2004
medial line;

THENCE along the 2004 medial line the following courses and distances:
South 33°21'46" West a distance of 46.85 feet;
South 44°56'54" West a distance of 35.50 feet;
South 26°21'00" West a distance of 209.97 feet;
South 46°47'48" West a distance of 196.85 feet;
South 39°45'42" West a distance of 269.21 feet;
South 41°37'42" West a distance of 213.66 feet;
South 11°15'00" West a distance of 64.00 feet;
South 52°17'51" West a distance of 174.47 feet;
South 60°39'39" West a distance of 144.78 feet;
South 54°38'53" West a distance of 152.25 feet;
South 64°57'23" West a distance of 84.17 feet to a point;

THENCE North 25°02'36" West a distance of 117.54 feet to a proportional point on
the 2004 left bank;
THENCE North 15°06'23" West a distance of 1224.98 feet to the POINT OF
BEGINNING, and containing 28.01 acres of land more or less.
METES AND BOUNDS DESCRIPTION
OF THE REMAINDER OF THE NORTHEAST QUARTER OF THE
SOUTHEAST QUARTER, SECTION 19, T. 11 N., R. 08 W.,
LOCATED ALONG THE CANADIAN RIVER,
CANADIAN COUNTY, OKLAHOMA

BEGINNING at the Northwest corner of the Northeast Quarter of the Southeast Quarter, said point being South 87° 48’ 00” East a distance of 1313.40 feet from the center of Section 19, T. 11 N., R. 08 W., Canadian County, Oklahoma.

Thence along the North line of the Northeast Quarter of the Southeast Quarter, South 87° 48’ 00” East a distance of 305.22 feet to a point on the 2004 left bank;

THENCE South 09° 20’ 47” East a distance of 137.86 feet to a point on the 2004 medial line;

THENCE along the 2004 medial line the following courses and distances:
    South 55° 18’ 06” West a distance of 70.23 feet;
    South 38° 09’ 37” West a distance of 33.98 feet;
    to a point on the 1984 left bank;

THENCE along the 1984 left bank, North 63° 21’ 54” West a distance of 278.17 feet to a point on the West line of the Northeast Quarter of the Southeast Quarter of said Section 19;

THENCE along the West line of the Northeast Quarter of the Southeast Quarter, North 00° 00’ 00” East a distance of 89.74 feet to the POINT OF BEGINNING, and containing 1.10 acres of land more or less.

BEGINNING at a BLM Aluminum Cap at the East Quarter corner of Section 19, T. 11 N., R. 08 W., Canadian County, Oklahoma.

THENCE along the East line of the Northeast Quarter of the Southeast Quarter of said Section 19, South 00° 00’ 00” West a distance of 825.78 feet to a point on the 2004 medial line;

THENCE along the 2004 medial line the following courses and distances:
    North 71° 07’ 33” West a distance of 117.61 feet;
    North 64° 38’ 32” West a distance of 159.13 feet;
    North 63° 15’ 55” West a distance of 257.76 feet;
    North 28° 42’ 01” West a distance of 39.32 feet;
    North 08° 33’ 18” West a distance of 74.55 feet;
    North 05° 33’ 40” West a distance of 187.40 feet;
North 13° 23’ 03” West a distance of 81.56 feet;  
North 51° 28’ 25” West a distance of 196.80 feet;  
North 73° 39’ 28” West a distance of 31.83 feet to a point;

THENCE North 16° 19’ 57” East a distance of 130.18 feet to a point on the North  
line of the Northeast Quarter of the Southeast Quarter of said Section 19;

THENCE along the North line of the Northeast Quarter of the Southeast Quarter,  
South 87° 48’ 00” East a distance of 700.69 feet to the POINT OF BEGINNING, and  
containing 9.57 acres of land more or less.  
**Total of 10.67 acres.**

**METES AND BOUNDS DESCRIPTION**  
**OF THE ACCRETION AND RIPARIAN ACREAGE**  
**TO THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER**  
**OF SECTION 19, T. 11 N., R. 08 W.,**  
**LOCATED ALONG THE CANADIAN RIVER,**  
**CANADIAN COUNTY, OKLAHOMA**

BEGINNING at the intersection of the West line of the Northeast Quarter of the  
Southeast Quarter and the 1984 left bank, said point being South 87° 48’00” East a  
distance of 1313.40 feet and South 00° 00’ 00” West a distance of 89.74 feet from  
the Center of Section 19, T. 11 N., R. 08 W., Canadian County, Oklahoma.

Thence along the 1984 left bank, South 63° 21’ 54” East a distance of 278.17 feet  
to the intersection of the 1984 left bank and the 2004 medial line;

Thence along the 2004 medial line the following courses and distances:  
South 38° 09’ 37” West a distance of 43.73 feet;  
South 33° 21’ 46” West a distance of 156.90 feet to a point;

Thence North 56° 38’ 14” West a distance of 127.57 feet to a proportional point on  
the 2004 left bank;

Thence North 07° 27’ 33” West a distance of 221.85 feet to the POINT OF  
BEGINNING, and containing 0.87 acres of land more or less.
METES AND BOUNDS DESCRIPTION
OF LOT 1 (8.75 ACRES) AND THE ACCRETION AND RIPARIAN ACREAGE
TO LOT 1, SECTION 15, T. 18 N., R. 17 W.,
LOCATED ALONG THE CANADIAN RIVER,
DEWEY COUNTY, OKLAHOMA
(Bearings and Distances are Geodetic)

BEGINNING at the ancient meander corner on the ancient left bank between Sections 10 and 15, T. 18 N., R. 17 W., Dewey County, Oklahoma;

THENCE South 39° 37’ 21” East a distance of 922.35 feet to a proportional point on the 2004 left bank;

THENCE South 08° 04’ 49” West a distance of 146.90 feet to a point on the 2004 medial line;

THENCE along the 2004 medial line the following courses and distances:

North 81° 55’ 12” West a distance of 135.96 feet;
North 89° 24’ 10” West a distance of 47.30 feet;
South 79° 16’ 57” West a distance of 198.34 feet;
North 88° 58’ 35” West a distance of 225.53 feet;
South 74° 48’ 04” West a distance of 264.10 feet;
South 77° 30’ 25” West a distance of 207.69 feet;
South 84° 41’ 43” West a distance of 249.57 feet;
South 72° 41’ 27” West a distance of 118.82 feet to a point;

THENCE North 17°18’ 34” West a distance of 106.05 feet to a proportional point on the 2004 left bank;

THENCE North 23°19’ 46” West a distance of 266.68 feet to the Southwest corner of said Lot 1;

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

North 61° 00’ 00” East a distance of 692.05 feet;
North 47° 00’ 00” East a distance of 528 feet to the POINT OF BEGINNING, and containing 19.30 acres of land more or less.

Total in Lot 1 of section 15 is 28.05 acres of land more or less.
METES AND BOUNDS DESCRIPTION
OF THE REMAINDER OF LOT 5,
SECTION 15, T. 18 N., R. 17 W.,
LOCATED ALONG THE CANADIAN RIVER,
DEWEY COUNTY, OKLAHOMA
(Bearings and Distances are Geodetic)

BEGINNING at an Iron Rod with cap at the West Quarter corner of Section 15, T. 18 N., R. 17 W., Dewey County, Oklahoma;

THENCE along the North line of said Lot 5, North 90° 00’ 00” East a distance of 480.00 feet to the intersection of the North line of said Lot 5 and the 2004 medial line;

THENCE along the 2004 medial line the following courses and distances:

South 57° 57’ 13” West a distance of 120.22 feet;
South 60° 22’ 45” West a distance of 103.49 feet;
South 52° 32’ 43” West a distance of 287.19 feet;
South 46° 54’ 19” West a distance of 82.38 feet to the intersection of the 2004 medial line and the West line of said Section 15;

THENCE along the West line of said Section 15, North 00° 00’ 00” West a distance of 345.87 feet to the POINT OF BEGINNING, and containing 1.76 acres of land more or less.
DESCRIPTION FOR MINERAL LEASING OF
TRACT S-2x Parcel #1
SABINE NATIONAL FOREST
SABINE COUNTY, TEXAS
289.89 ACRES

All that certain tract or parcel of land lying and being in Sabine County, Texas, on
the waters of Mill Creek, a tributary of the Sabine River, embracing in part the S. L.
Dainwood Survey, A-310, dated August 3, 1886, the C. L. Love Survey, A-277, dated
June 1, 1882, and the J. J. Love Survey, A-276, dated October 19, 1882, identified
as Tract S-2x Parcel #1 for mineral leasing purposes only. Parent tract S-2x was
acquired from Temple Lumber Company by deed dated December 27, 1935 and
recorded in Volume 39, Page 293 et seq, Deed Records, Sabine County, Texas and
contained 539.00 acres, more or less, subject to a divided mineral estate and later
to surface lands that were exchanged to Sabine River Authority. It is not the intent
of this description to overlap any adjacent outstanding mineral interest or Sabine
River Authority lands. Tract S-2x Parcel #1 is further described as follows for
mineral leasing purposes.

Commencing at corner 1 of Tract S-2x, identical with the third corner of the C. L.
Love Survey, the beginning corner of the M. W. Anthony Survey, A-293, and the
beginning corner of the Lutcher & Moore Survey, A-445, a Forest Service standard
concrete post marked S-467, thence N 26° 35' W, 6.31 chains to a point for corner
1 of Tract S-2x Parcel #1, the PLACE OF BEGINNING;

THENCE continuing N 26° 35' W, common to the C. L. Love and S. L. Dainwood
Surveys and to the Lutcher & Moore Survey, A-445, and the Lutcher & Moore
Survey, A-451, 75.34 chains to corner 2 of Tract S-2x, the third corner of the S. L.
Dainwood Survey and a corner of the Lutcher & Moore Survey, A-451;

THENCE N 64° 00' E, common to the S. L. Dainwood Survey and the Aurelia Russell
Survey, A-51, 40.80 chains to corner 3 of Tract S-2x, the fourth corner of the S. L.
Dainwood Survey and the third corner of the Henry Dainwood Survey, A-93;

THENCE S 26° 00' E, common to the S. L. Dainwood and Henry Dainwood Surveys,
40.88 chains to corner 4 of Tract S-2x, the beginning corner of the S. L. Dainwood
and C. L. Love Surveys, the second corner of the Henry Dainwood Survey, and the
fourth corner of the J. J. Love Survey, A-276;

THENCE N 64° 00' E, common to the J. J. Love and Henry Dainwood Surveys, 40.82
chains to corner 5 of Tract S-2x, common to the beginning corner of Forest Service
Tract S-2w,

THENCE S 26° 00' E, common to the J. J. Love and Theodore Koester No. 15 Surveys, 40.68 chains to corner 6 of Tract S-2x, the second corner of the J. J. Love Survey and the third corner of the Theodore Koester No. 15 Survey;

THENCE S 63° 10' W, common to the J. J. Love and C. L. Love Surveys and to the Theodore Koester No. 15 Survey and the Lutcher & Moore Survey, A-447, 53.80 chains to corner 7 of Tract S-2x, the fifth corner of the M. W. Anthony Survey and the second corner of the Lutcher & Moore Survey, A-447;

THENCE a calculated bearing and distance across Tract S-2x, N 26° 35' W, within the C. L. Love Survey, 6.31 chains to a point for corner for Tract S-2x Parcel #1;

THENCE a calculated bearing and distance across Tract S-2x, S 65° 29' W, within the C. L. Love Survey, 27.00 chains to the place of beginning, containing 481.70 acres, be the same, more or less, LESS AND EXCEPT approximately 191.81 acres of lands conveyed to the Sabine River Authority on April 2, 1985 and more described as follows, leaving a net acreage for Tract S-2x Parcel #1 being 289.89 acres, be the same, more or less.

Sabine River Authority lands: A portion of Forest Service Tract S-2x embracing in whole or in part the following patented surveys: S. L. Dainwood, A-310; C. L. Love, A-277; and J. J. Love, A-276 in Sabine County, Texas, said portions of Tract S-2x being in two tracts approximately 138.36 acres, more or less, and approximately 53.45 acres, more or less, aggregating approximately 191.81 acres, said two tracts being described by metes and bounds as follows. It is not the intent of this description for mineral leasing purposes to include that strip of land between the herein described taking line traverse of the Toledo Bend Reservoir shoreline survey and the 172' msl (mean sea level) contour, which were retained by the United States:

FIRST TRACT: BEGINNING at corner 5 of said Tract S-2x, same being corner 1 of Tract S2w, a standard F.S. concrete monument marked S-453, witnessed by scribed and old bearing trees;

THENCE with the east line of said J. J. Love Survey, common to the T. Koester No. 15 Survey, S 28° 04'07 " E, 1303.21 ft. to a point on the taking line traverse of the Toledo Bend Reservoir shoreline survey;

THENCE with said taking line traverse as follows:
## Parcel 200504-075 - Exhibit C
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on the south line of said J. J. Love Survey said point being S 59° 54' 03" W, 1185.90 ft. from corner 6 of said Tract S-2x;

then with said line common to said T. Koester No. 15 Survey, A-138, S 59° 54’03” W, 114.50 ft. to a point on the taking line traverse;

then with said taking line traverse as follows:

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<tr>
<td>S 63</td>
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<tr>
<td>S 50</td>
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<td>10 W</td>
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<td>30</td>
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<tr>
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<tr>
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<tr>
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<td>S 71</td>
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<td>11</td>
<td>39 W</td>
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<td>S 46</td>
<td>02</td>
<td>31 E</td>
<td>111.00</td>
<td>518</td>
<td></td>
</tr>
</tbody>
</table>

on the south line of the C. L. Love Survey common to the T. Koester No. 15 survey;
THENCE with said line, S 60° 02’ 09” W, 591.50 feet to corner 7 of Tract S-2x, same being the North East or fifth corner of said M. W. Anthony Survey, a concrete monument witnessed by scribed bearing trees;

THENCE a calculated bearing and distance of N 26° 35’ W, within Tract S-2x in the C. L. Love Survey, 416.46 chains to a point for corner of Tract S-2x Parcel #1, same being the northeast corner of a 15-acre tract of outstanding minerals described in deed dated 9/19/1918 from C. C. Goodwin to A. D. Hamilton and L. E. King as recorded in Volume 14, Page 153, deed records of Sabine County;

THENCE with the taking line traverse of the Toledo Bend Reservoir, a calculated bearing and distance of N 45° 19’ 28” W, 284.32 feet to a point for corner of this exception to Tract S-2x Parcel #1;

THENCE with said taking line traverse as follows:

<table>
<thead>
<tr>
<th>BEARING</th>
<th>DISTANCE</th>
<th>TO POINT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<tr>
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<tr>
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<tr>
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<td>892</td>
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<tr>
<td>S06</td>
<td>68.00</td>
<td>893</td>
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</tbody>
</table>

THENCE with said taking line traverse as follows:

on the West line of the C.L. Love Survey, being N 23° 54’17” W, 538.81 ft. from Corner 1 of Tract S-2x, a F.S. standard concrete monument marked S-467;
THENCE with said line N 23° 54’17” W, 101.02 ft. to a point on the taking line traverse;

THENCE with said taking line traverse as follows:

<table>
<thead>
<tr>
<th>BEARING</th>
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<tr>
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<td>N 19</td>
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<tr>
<td>S 24</td>
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</tbody>
</table>

THENCE with said line common to said C. L. Love Survey, N 23° 54’ 17” W, 609.41 feet to a point on the taking line traverse;

THENCE with said taking line traverse as follows:

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<thead>
<tr>
<th>BEARING</th>
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<th>TO POINT</th>
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<tbody>
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<tr>
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<tr>
<td>S 49</td>
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</tr>
<tr>
<td>S 20</td>
<td>192.00</td>
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</tr>
<tr>
<td>S 02</td>
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<tr>
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<td>BEARING</td>
<td>DISTANCE</td>
<td>TO POINT</td>
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<td>-----------------</td>
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<tr>
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<td>N 79 43 32 E</td>
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<td>N 40 17 08 W</td>
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<td>N 15 17 05 E</td>
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<td>S 89 33 40 E</td>
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</tr>
<tr>
<td>N 65 52 03 E</td>
<td>167.00</td>
<td>1002</td>
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</tbody>
</table>
THENCE with said line, S 22° 39’09” E, 139.43 feet to corner 4 of Tract S-2x, a concrete monument witnessed by scribed bearing trees, being a common corner to the S. L. Dainwood, Henry Dainwood, J. J. Love and C. L. Love Surveys;  

THENCE with the north line of said J. J. Love Survey, common to said Henry Dainwood Survey, N 66° 22’ 31” E, 285.22 feet to a point on the taking line traverse;  

THENCE with said taking line traverse as follows:

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<tr>
<td>S 81 11 30 W</td>
<td>132.00</td>
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<tr>
<td>S 79 44 30 W</td>
<td>123.00</td>
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<tr>
<td>N 29 36 32 W</td>
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<td>1024</td>
</tr>
<tr>
<td>N 12 13 28 E</td>
<td>51.33</td>
<td>1025</td>
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</tbody>
</table>

of said J. J. Love Survey and the south line of said Henry Dainwood Survey;  

Thence with said line, N 66° 22’ 31” E, 2002.92 feet to the POINT OF BEGINNING for tract 1 of the Sabine River Authority exception to Tract S-2x Parcel #1, containing 138.36 acres, more or less.
SECOND TRACT: Beginning at corner 3 of Tract S-2x, a concrete monument in the south line of the Aurelia Russell Survey, same being the northeast or fourth corner of the S. L. Dainwood Survey and the northwest or third corner of the Henry Dainwood Survey;

THENCE with said S. L. Dainwood East line common to said Henry Dainwood West line, S 22° 09’ 09” E, 1009.69 ft. to a point on the taking line traverse of the Toledo Bend Reservoir shoreline survey;

THENCE with said taking line traverse as follows:

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<th>BEARING</th>
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<th>TO POINT</th>
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<td>Sec.</td>
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<td>38 W</td>
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<tr>
<td>N 10</td>
<td>07</td>
<td>07 W</td>
</tr>
<tr>
<td>S 48</td>
<td>06</td>
<td>01 W</td>
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</tr>
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<td>52 W</td>
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</tr>
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<td>N 18</td>
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<td>31 W</td>
</tr>
<tr>
<td>N 84</td>
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<td>58 W</td>
</tr>
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<td>S 31</td>
<td>08</td>
<td>12 W</td>
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<td>S 48</td>
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<td>N 54</td>
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<td>N 28</td>
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<td>24 W</td>
</tr>
<tr>
<td>N 15</td>
<td>54</td>
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<td>15</td>
<td>00 W</td>
</tr>
<tr>
<td>N 12</td>
<td>56</td>
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</tr>
<tr>
<td>S 86</td>
<td>04</td>
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<td>28 E</td>
</tr>
<tr>
<td>S 24</td>
<td>20</td>
<td>15 E</td>
</tr>
</tbody>
</table>
Parcel 200504-075 – Exhibit C
Page 10 of 10

S 67 18 58 W 250.00 1097
N 59 01 40 W 117.00 1098
N 14 15 47 W 105.00 1099
S 26 46 54 W 168.00 1100
S 52 14 20 W 114.00 1101
S 10 35 08 E 219.00 1102
N 79 34 44 W 52.00 1103 on the west line of said S. L. Dainwood Survey, same being the east line of the G. H. and S. A. No. 6 Survey, Abstract No. 451;

THENCE with said line N 23° 56’22” W, 454.04 ft. to a point on the taking line traverse;

THENCE with said taking line traverse as follows:

<table>
<thead>
<tr>
<th>BEARING</th>
<th>DISTANCE</th>
<th>TO POINT</th>
</tr>
</thead>
<tbody>
<tr>
<td>N 46 20 41 E</td>
<td>35.82</td>
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</tr>
<tr>
<td>N 24 26 49 E</td>
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<td>1121</td>
</tr>
<tr>
<td>N 51 11 51 W</td>
<td>147.00</td>
<td>1122</td>
</tr>
<tr>
<td>S 89 35 55 W</td>
<td>35.45</td>
<td>to a point on said West line of the S. L. Dainwood Survey;</td>
</tr>
</tbody>
</table>

THENCE with said line, N 23° 56’22” W, 15.00 feet to corner 2 of Tract S-2x, a concrete monument in the south line of the Aurelia Russell Survey, being the northwest or third corner of the S. L. Dainwood Survey, also being a corner of said G.H. & S.A. No. 6 Survey;

THENCE N 65° 15’40” E. with the north line of the S. L. Dainwood Survey, common to the Aurelia Russell Survey, 1425.50 feet to point No. 1210 on the taking line traverse;

THENCE with said taking line traverse N 86° 07’58” E, 174.00 feet to point No. 1211;

THENCE N 42° 59’39” E, 145.48 feet to a point on the North line of said S. L. Dainwood Survey;

THENCE with said line, N 65° 15’40” E, 1011.97 feet to the POINT OF BEGINNING, containing 53.45 acres, be the same, more or less.
The undersigned lessee accepts the following terms and conditions and agrees to their incorporation in the above numbered oil and gas lease:

1. The lands are not to be entered at any time for the purpose of exploring for oil and gas without the written approval of the Superintendent, Southern Plains Range Research Station, Agricultural Research Service. If approval is granted, the Special Stipulations ARS-2 will be in effect.

2. The lands are not to be directionally drilled or slant-well drilled at any time, unless approved in writing by Station Superintendent.

3. The oil and gas lease is issued solely for the purpose of unitizing or communitizing the acreage embraced in this lease with other adjoining acreage.

4. The location of surface-disturbing activities will be finally determined only upon the approval of the Superintendent, Southern Plains Range Research Station, Agricultural Research Service.
The lands embraced in this lease for oil and gas issued under the Mineral Leasing Act for Acquired Lands of August 7, 1947, (61 Stat. 913; 30 U.S.C. 351-359) being under the jurisdiction of the Secretary of Agriculture, the lessee hereby agrees to accept the following terms and conditions, and to have them incorporated into the lease:

The authorized representative of the Secretary of Agriculture is the Superintendent, Southern Plains Range Research Station, Agricultural Research Service, Woodward, Oklahoma, (hereinafter referred to as “Superintendent”) to whom all matter relating to this stipulation will be addressed.

Oil and gas operations on the leased lands will be conducted with due regard for good land management so as to create a minimum disturbance to the surface vegetation and to the experimental research of the Agricultural Research Service (ARS). A cooperative and mutual effort will be exercised by both parties in the solution of any and all operational problems.

Each well location on the leased lands will be staked in joint agreement between the lessee and the Superintendent.

The Superintendent will agree to a well location within fifteen (15) days from the date he receives a notice of lessee’s intention to drill. If the location site in Section 33 as determined by the drilling and spacing pattern allowed by the Corporation Commission of the State of Oklahoma does not meet with the approval of the Superintendent, the lessee will use diligent efforts to obtain an exception by said Commission.

Routes of ingress and egress to well sites, including maintenance thereon, will be specified by the Superintendent, without undue burden to normal requirements of the lessee. Such routes will be posted, and no deviation therefrom will be permitted except in an emergency.
Any fence crossed by a route of ingress and egress to a well location will have a temporary cattle-guard and the fence properly braced on both sides; all construction to be at the expense of the lessee and in accordance with specifications to be furnished by the Superintendent.

The area of all operations for drilling and production will be fenced in the manner specified by the Superintendent so as to prevent grazing livestock from entering thereon. The area of any drill site will be a minimum consistent with the standard well drilling practice of the oil and gas industry, but in no case to exceed three (3) acres without written approval of the Superintendent.

If a second or alternative drill site in any section, is required because of unforeseen surface or subsurface difficulties, the Superintendent will immediately designate an adjoining area for such use. The lessee will restore the surface of the first site to its former condition, so far as reasonably possible.

Pipelines will be constructed along routes specified by the Superintendent, with both minimum of interference to the experimental research of ARS and inconvenience to the lessee being given full consideration. All pipelines, however, will be buried a minimum of eighteen (18) inches below the surface of the ground, unless otherwise agreed to in writing by the Superintendent.

For drilling operations, metal reservoirs or drilling pits will be used, if available without undue burden to lessee, instead of cutting pits into the ground. If drilling pits are dug, as soon as possible after conclusion of drilling operations, the drilling mud and foreign matter will be removed from said pits and the pits will be filled. The superintendent agrees to provide an area where said mud, sludge, etc., may be deposited.

Water required for drilling operations on any well will not be taken from wells located on the leased lands unless approved in writing by the Superintendent.

The lessee, its agents, employees, contractors, subcontractors, and employees of contractors and subcontractors, when on the leased lands
shall exercise extraordinary precaution to prevent and suppress any and all range fires. Any fire caused by the lessee, its agents, employees, contractors, subcontractors, or employees of such contractors or subcontractor, which burns the major part of one experimental pasture, or parts of two or more experimental pastures, will require controlled burning of all other pastures in the same unit of which these pastures are an integral part, so that ARS experiments on the whole unit will be treated uniformly. All costs of such controlled burning will be borne by the lessee and in accordance with written instructions of the Superintendent.

Unless prevented by circumstances over which he has no control, the lessee will place his employees, contractors, subcontractors, and employees of contractors and subcontractors employed on the leased land at the disposal of any authorized officer of the Department of Agriculture for the purpose of fighting brush or grass fires on or originating on the leased lands or on adjacent areas or caused by the negligence of the lessee or his employees, contractors, subcontractors and employees of contractors and subcontractors, with the understanding that payment for such services will be made at rates to be determined by the authorized representative of the Secretary of Agriculture, which rates will not be less than the current rates of pay prevailing in the vicinity for services of a similar character: Provided, that if the lessee, his employees, contractors, subcontractors, or employees of contractors or subcontractors caused or could have prevented the origin or spread of said fire, or fires, no payment will be made for service so rendered.

During periods of serious fire danger to brush or grass, as may be specified by the Superintendent, the lessee will prohibit smoking and the building of camp and lunch fires by his employees, contractors, subcontractors, and employees of contractors or subcontractors within the lease area except at established camps, and will enforce this prohibition by all means within his power: Provided, that the Superintendent may designate safe places where after all inflammable material has been cleared away, at the option of the lessee, smoking may be permitted.

The lessee will not burn rubbish, trash or other inflammable materials except with the consent of the Superintendent and will not use explosives in such a manner as to scatter inflammable materials on the surface of the land during the brush or grass fire season, except as authorized to do so or on areas approved by such representative.
The lessee will be responsible for payment of a just and reasonable sum for death or injury to any Government-owned or Government supervised livestock properly grazing on the leased lands, where such death or injury is attributable to the negligence of the lessee, its agents, employees, contractors, subcontractors, or employees of such contractors or subcontractors.

Unless otherwise authorized, prior to the beginning of operations upon the leased lands, lessee will appoint and maintain at all times during the term of this lease a local agent upon whom may be served written orders and notices respecting matters contained in this stipulation, and to inform the Superintendent, in writing, of the name and address of such agent. If a substitute agent is appointed, the lessee will immediately so inform the Superintendent.
The United States Bureau of Reclamation (Reclamation) is the surface managing agency for approximately 59,800 acres of acquired and withdrawn lands in the Roswell Area Office’s Bureau of Land Management mineral jurisdiction. The subject lands are located within and adjacent to three reservoirs of the Carlsbad Project and two reservoirs of the Tucumcari Project, being listed as follows:

1. Carlsbad Project - Brantley Reservoir..........43,500 acres
2. Carlsbad Project - Avalon Reservoir................4,000 acres
3. Carlsbad Project - Sumner Reservoir..........11,500 acres
4. Tucumcari Project - Hudson Lake.......................160 acres
5. Tucumcari Project - Dry Lake..............................640 acres

With regard to the leasing of the mineral estate(s) within the 59,800 acres, Reclamation will provide specific leasing stipulations for each prospective lease. The general leasing stipulations and requirements for the subject Reclamation managed lands are as follows:

**BRANTLEY RESERVOIR**

No surface occupancy will be allowed within one half mile of the Brantley Dam site, drilling between one half mile and one mile of the Brantley Dam site shall be reviewed on a case by case basis. No surface occupancy within the Brantley Lake State Park. No storage facilities will be allowed below contour elevation 3286. Surface occupancy below natural contour elevation 3271 will be reviewed on a case by case basis.

**AVALON RESERVOIR**

No surface occupancy will be allowed within one half mile of the Avalon Dam site.

No surface occupancy below contour elevation 3190. No storage facilities below contour elevation 3200.
SUMNER RESERVOIR
No surface occupancy will be allowed within one half mile of the Sumner Dam site.
No surface occupancy within Sumner Lake State Park. No surface occupancy below contour elevation 4279. No storage facilities below contour elevation 4300.

HUDSON LAKE
No surface occupancy within the boundaries of Hudson Lake.

DRY LAKE
No surface occupancy below contour elevation 4085.

In addition to those restrictions above, Reclamation proposes that the first paragraph of page 3 of "Management Common to all Alternatives" be omitted. The subject paragraph states that if lands presently managed by Reclamation revert to BLM, they would be leased and managed under appropriate Roswell Field Office stipulations or conditions of approval (e.g., stipulations for flood plains). Once production of all wells permitted are terminated, the permittee shall immediately plug the well hole and reclaim the surface disturbed by the operation.

Prior to commencing operations on leasehold, contact the Bureau of Reclamation, Albuquerque Area Office, Attn: Rik Arndt, Lead Realty Specialist, 505 Marquette NW, Suite 1313, Albuquerque, NM 87102-2162, (505) 462-3604.

Bureau of Reclamation January 2002
The lease area may now or hereafter contain plants, animals or their habitats determined to be threatened, endangered, or other special status species. BLM may recommend modifications to exploration and development proposals to further its conservation and management objective to avoid BLM-approved activity that will contribute to a need to list such a species or their habitat. BLM will not approve any ground-disturbing activity that may affect any such species or critical habitat until it completes its obligations under applicable requirements of the Endangered Species Act as amended, 16 U.S.C. § 1531 et seq., including completion of any required procedure for conference or consultation.

The lands encompassed by this lease are managed by the U. S. Bureau of Reclamation and contain riparian and aquatic habitat that may be suitable for special status species. No surface disturbing activities will be authorized on this lease unless and until a Biological Evaluation has been completed that meets requirements of the U. S. Fish and Wildlife Service. BLM may require modifications to or disapprove proposed activity that is likely to result in jeopardy to the continued existence of a proposed or listed threatened or endangered species or result in the destruction or adverse modification of a designated or proposed critical habitat.
STIPULATION FOR LANDS OF THE NATIONAL FOREST SYSTEM
UNDER JURISDICTION OF
DEPARTMENT OF AGRICULTURE

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

All matters related to this stipulation are to be addressed

To : Forest Supervisor
     Cibola National Forest
At : 2113 Osuna Rd., NE Ste A
     Albuquerque, NM  87113-1001
Telephone No : (505) 761-4650

Who is the authorized representative of the Secretary of Agriculture.
CONTROLLED SURFACE USE STIPULATION

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

Facilities will be located at least 300 feet away from all riparian corridors (i.e. 300 feet away from the edge of vegetation zones associated with riparian areas whether they are perennial, intermittent or ephemeral).

Activities associated with drilling and production will be limited or special actions may be required in areas with high potential for wind or water erosion.

New road access will be limited to areas of less than 30% slopes. New road access in or near drainage (watercourses) will be limited to essential crossings with the least environmental impact. All Soil and Water Conservation Practices described in FSH 2509.22 will be followed for each site-specific case of road construction.

On the lands described below:

All lands in lease.

For the purpose of: Prevention of soil erosion and to protect riparian areas.

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

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

The lessee is given notice that a closed circulation system will be used for all oil and gas drilling. No open pits will be allowed.

On the lands described below:

All lands in lease.

For the purpose of: Avoid potential ground and surface water contamination and surface disturbance associated with open pits.

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

R-3 Cultural Resource Management

No surface-disturbing work can be approved until a Cultural Resource survey and report is completed.

The permittee, contractor, or lessee shall be responsible for the protection from damage of all identified cultural resources within the area which may be affected by their actions. In addition, the permittee, contractor or lessee shall be liable for all damage or injury to the identified cultural resources caused by their actions.

The permittee, contractor, or lessee shall immediately notify the agency Project Administrator if any damage occurs to any cultural resource and immediately halt work in the area in which damage has occurred until authorized by the Project Administrator, after consultation with the Forest Archeologist, to proceed. All provisions of the Region 3 Cultural Resources Damage Assessment Handbook (FSH 2309.24, Chapter 40) are incorporated by reference herein.

Threatened, Endangered and Sensitive Species Habitat

The lessee is advised that the lease areas may contain populations of or habitat for threatened, endangered, proposed or Sensitive species. The leased lands will be examined prior to undertaking any surface disturbing activities (including seismic explorations) to determine effects upon any plant or animal species and prescribe necessary mitigations. These examinations will be initiated upon receipt of an Application for Permit to Drill, IM, Seismic testing request, or when any ground disturbing activity is proposed. Field surveys for some species may however require delays until appropriate field conditions can be met. Should proposed activities involve possible effects to a Federally listed species, consultation with USFWS may be required. Delays for consultation could take 30 to 135 days.
STIPULATION FOR LANDS OF THE NATIONAL FOREST SYSTEM
UNDER JURISDICTION OF
DEPARTMENT OF AGRICULTURE

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

All matters related to this stipulation are to be addressed

To : Forest Supervisor
     National Forests in Texas
At : 701 North First Street
     Lufkin, TX 75901
Telephone No : (936) 639-8501

Who is the authorized representative of the Secretary of Agriculture.
CONTROLLED SURFACE USE STIPULATION
NATIONAL FORESTS IN TEXAS

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

Portions of this lease contain streamside management zones (floodplains, wetlands). As a minimum, these areas are established within the 100 year flood plain of all intermittent streams and perennial streams, and 100 feet from the normal pool level contour of lakes. Site-specific proposals for surface-disturbing activities (such as pipelines and seismic surveys) within these areas will be analyzed and will normally result in establishment of protective requirements or limitations for the affected site. Surface occupancy for oil and gas wells will not be allowed within the streamside management zone. (MA-4-63)

On the lands described below:

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

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

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

Proposals for a structure, facility, or motorized uses on Toledo Bend Reservoir lands between the 172’ and 175’ MSL contours, or on a strip of land extending inland 200 meters from the 175’ contour, may be subject to special requirements or limitations, such to be determined on a case-by-case basis.

On the lands described below:

All Lands in Lease.

For the purpose of: To meet visual quality objectives and protect lakeshores in accordance with the National Forests and Grasslands in Texas Final Land and Resource Management Plan, dated March 28, 1996.

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

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

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

On the lands described below:

**For the purpose of:** To protect red-cockaded woodpecker clusters foraging and habitat areas in accordance with the National Forest and Grasslands in Texas Final Land and Resource Management Plan, dated March 28, 1996.

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

Bald Eagles. Part or all of this lease is within one (1) mile of a bald eagle nesting site. During nesting periods, from approximately October 1 through May 15 per year, seismic exploration, new clearing of vegetation, and exploratory drilling may be restricted if, in the opinion of the responsible agency biologist, restrictions are necessary to assure nesting success.
LEASE NOTICE
NATIONAL FORESTS IN TEXAS

Proposals for surface occupancy, other than foot travel, below the 172' MSL contour will require concurrence of the United States Corps of Engineers prior to issuance of a Forest Service decision on that proposal. In addition, the Sabine River Authority of Texas will be requested to comment on such proposals.
SPECIAL STIPULATIONS
INTERNATIONAL BOUNDARY AND WATER COMMISSION
UNITED STATES AND MEXICO
UNITED STATES SECTION

1. The Lessee understands and agrees that drilling operations and deepening of any well for the purpose of producing oil and/or gas and other minerals under said lands, are prohibited below the 307-foot elevation traverse. However, exploration, development and producing operations will be permitted by directional drilling from locations off the said land and above the 307-foot elevation traverse;

2. No drilling operations are permitted which will cause contaminations of the Falcon Reservoir or the Rio Grande. Before any drilling operations commences, works including, but not limited to, a reserve pit, satisfactory to the United States Commissioner, International Boundary and Water Commission, United States and Mexico, shall be constructed of sufficient size and be maintained so as to hold all contaminants, well cuttings, trash, debris, refuse, etc., and to prevent them from getting into Falcon Reservoir or into the Rio Grande; and further, the lessee shall be liable for all damages due to contamination of the Falcon Reservoir, or the Rio Grande, resulting from his operations.

3. The Lessee agrees that all drilling, exploration, development and producing operations will be in conformance with the requirements of the Texas Railroad Commission and agencies of the States of Texas responsible for environmental concerns. Upon completion of the well, all pits—after settling or drying—will be filled and the location area will be graded so as to resemble, as nearly as practicable, the land conditions prior to drilling;

4. The Lessee agrees not to subdivide or assign any portion of this lease without prior written approval of the United States Commissioner, International Boundary and Water Commission, United States and Mexico, The Commons, Building C, Suite 310, 4171 North Mesa, El Paso, Texas 79902-1441, first hand and obtained prior to any submission for approval to the Department of the Interior.

5. Prior to any drilling operations, all requirements of the National Environmental Policy Act (NEPA) will be completed and reports provided to the Bureau of Land Management (BLM) and the International Boundary and Water Commission (IBWC).
LEASE NOTICE
COAL PROTECTION

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

Address:

Tulsa Field Office
7906 E. 33rd Street, Suite 101
Tulsa, OK 74145
(918) 621-4100
FLOODPLAIN PROTECTION STIPULATION
CONTROLLED SURFACE USE

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

For the following described land(s):

All lands in lease.

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

Bureau of Land Management
Oklahoma Field Office

ORA-1
November 1991
WETLAND/RIPARIAN STIPULATION
CONTROLLED SURFACE USE

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

For the following described land(s):

All lands in lease.

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

Bureau of Land Management
Oklahoma Field Office

ORA-2
November 1991
SEASON OF USE STIPULATION

Surface occupancy of this lease will not be allowed from February 15 to May 15, as well as all applicable hunting seasons without the specific approval, in writing, from the authorized officer of the Bureau of Land Management. This stipulation does not apply to operation and maintenance of production facilities.

One the land(s) described below:

For the Purpose of: Wildlife seasonal use requirements or recreation use conflicts with drilling activities.

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

Bureau of Land Management
Oklahoma Field Office

ORA-3
November 1991
NO SURFACE OCCUPANCY STIPULATION

No surface occupancy or use is allowed on the lands described below.

(the lands may be drilled directionally from an off-site location where occupancy is allowed).

For the purpose of: Protection of a resource or use not compatible with oil and gas development.

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

Bureau of Land Management
Oklahoma Field Office

ORA-4(NSO)
November 1991
LEASE NOTICE
THREATENED AND ENDANGERED SPECIES

According to preliminary information all or portions of this lease area could contain Federal and/ or State-listed threatened or endangered species and/ or their habitats. Any proposed surface disturbing activity may require an inventory and consultation with the U.S. Fish and Wildlife Service and/ or the State Wildlife agency. The consultation could take up to 180 days to complete. Surface occupancy could be restricted or not allowed as a result of the consultation. Appropriate modifications of the imposed restrictions will be made for the maintenance and operations of producing oil and gas wells.
Special Cultural Resource
Lease Notice

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

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

Bureau of Land Management
Roswell/ Carlsbad Field Office

SENM-LN-1
February 1991
POTASH STIPULATION

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

The lessee further agrees that:

(1) Drilling for oil and gas shall be permitted only in the event that the lessee establishes to the satisfaction of the Authorized Officer, Bureau of Land Management, that such drilling will not interfere with the mining and recovery of potash deposits, or the interest of the United States will best be served by permitting such drilling.

(2) No wells shall be drilled for oil or gas at a location which, in the opinion of the Authorized Officer, would result in undue waste of potash deposits or constitute a hazard to or unduly interfere with mining operations being conducted for the extraction of potash deposits.

(3) When it is determined by the Authorized Officer, that unitization is necessary for orderly oil and gas development and proper protection of potash deposits, no well shall be drilled for oil or gas except pursuant to a unit plan approved by the Authorized Officer.

(4) The drilling or the abandonment of any well on said lease shall be done in accordance with applicable oil and gas operating regulations (43 CFR 3160), including such requirements as the Authorized Officer may prescribe as necessary to prevent the infiltration of oil, gas or water into formations containing potash deposits or into mines or workings being utilized in the extraction of such deposits.

On the land(s) described below:

Bureau of Land Management
Carlsbad Field Office

SENМ-S-1
Revised December 1996
NO SURFACE OCCUPANCY STIPULATION
THREATENED PLANT SPECIES

No surface occupancy or use is allowed on the land(s) described below:

For the purpose of: Protecting the Federally listed threatened and endangered gypsum wild-buckwheat species (Eriogonum gypsophilum) and designated Critical habitat (Federal Register Notice dated January 19, 1981), and as discussed in the Carlsbad RMP.

If circumstances or relative resource values change or if the lessee demonstrates that operations can be conducted without causing unacceptable impacts, this stipulation may be waived, excepted, or modified by the authorized officer if such action is consistent with the provisions of the applicable Land Use Plan, or if not consistent, through a planning amendment. If the authorized officer determines that the waiver, exception, or modification is substantial, the waiver, exception, or modification will be subject to a 30-day public review period.
WILDLIFE HABITAT PROJECTS

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

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

For the purpose of: Protecting Wildlife Habitat Projects
SLOPES OR FRAGILE SOILS

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

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

On the lands described below:

For the purpose of: Protecting Slopes or Fragile Soils

Bureau of Land Management
Roswell/Carlsbad Field Office

SENM-S-17
December 1997
STREAMS, RIVERS, AND FLOODPLAINS

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

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

- Additional development in areas with existing developments that have shown no adverse impacts to the riparian areas as determined by the Authorized Officer, following a case-by-case review at the time of permitting.

- Suitable off-site mitigation if habitat loss has been identified.

- An approved plan of operations ensures the protection of water or soil resources, or both.

- Installation of habitat, rangeland or recreation projects designed to enhance or protect renewable natural resources.

For the purpose of: Protecting Streams, Rivers and Floodplains

On the lands described below:

Bureau of Land Management
Roswell/Carlsbad Field Offices

SENM-S-18
December 1997
PLAYAS AND ALKALI LAKES

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

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

On the lands described below:

All lands in lease.

For the purpose of: Protecting Playas and Alkali Lakes
SPRINGS, SEEPS AND TANKS

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

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

For the purpose of: Protecting Springs, Seeps and Tanks
CAVES AND KARST

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

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

For the purpose of: Protecting Caves and Karst Features
PRAIRIE CHICKENS

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

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

For the purpose of: Protecting Prairie Chickens
SAND DUNE LIZARD

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

Surface disturbance will not be allowed in documented occupied habitat areas, or within up to 100 meters of suitable habitat associated with occupied habitat areas identified through field review. An exception to this restriction will be considered when an on-site evaluation of habitat extent, available species occurrence data, the proposed surface use, and proposed mitigations indicate the proposal will not adversely affect the local population.

For the purpose of: Protecting Sand Dune Lizards
VISUAL RESOURCE MANAGEMENT

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

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

For the purpose of: Protecting Visual Resources Management
NO SURFACE OCCUPANCY
BRANTLEY LAKE STATE PARK

All or a portion of the lease is within the boundary of Brantley Lake State Park. Oil and gas lease development is prohibited within the State Park. The lease operator must consult with the State Parks, the Bureau of Reclamation, or the Bureau of Land Management Carlsbad Field Office to determine the exact location of the State Park boundary. The portion of the lease within the State Park may be developed by directional drilling techniques.

Bureau of Land Management
Carlsbad Field Office

February 2003
NO SURFACE OCCUPANCY
POTASH AREA

All or portion of the lease is over known potash deposits. The drilling of oil and gas wells which would penetrate these deposits is prohibited. For this purpose, and in addition to the conditions imposed by Stipulation SENM-S-1, no surface occupancy (NSO) will be allowed on the lands described below. These NSO lands are leased with the requirement that they are to be explored and/or developed by wells directionally drilled from surface locations on adjacent lands. The well bore of any directionally drilled well shall be drilled vertically until it penetrates USGS Marker Bed 126 or, if not present, its stratigraphic position, both as determined by the BLM authorized officer.

No surface occupancy is allowed on the lands described below:

For the purpose of: To prevent the drilling of wells for oil or gas which would result in an undue waste of potash deposits or constitute a hazard to or unduly interfere with mining operations being conducted for the extraction of potash deposits.

Bureau of Land Management
Carlsbad Field Office

SENM-S-30
August 2003
Northern Aplomado Falcon Suitable Habitat
Controlled Surface Use Stipulation

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

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

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

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

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

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

**Level II Development**
Areas those areas that possess habitat identified as suitable for the falcon based on the model and/or the grassland mapping initiative, and those areas where there is minimal existing development (less than full field development) Measures to be applied:

- A plan of development (POD) for the entire lease must be submitted to the BLM authorized officer for approval prior to initiation of any development;
The following well pad construction and reclamation measures must be implemented to provide for minimal long-term disturbance:

- remove all caliche from well pads and roads associated with wells that are abandoned, and are not capable of producing in paying quantities.
- well pad size within grasslands will not exceed 300ft x 390ft (unless multiple wells are drilled from the same well pad), and all unused portions of well pads/pit area associated with producing wells will be reclaimed using the seed mixture below;
- within grasslands determined suitable for the Aplomado Falcon, utilize a seed mixture that consists of the following:
  
<table>
<thead>
<tr>
<th>Seed Mixture</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tobosa (Hilaria mutica)</td>
<td>4 lbs/acre</td>
</tr>
<tr>
<td>Black grama (Bouteloua eriopoda)</td>
<td>1 lb/acre</td>
</tr>
<tr>
<td>Silver bluestem (Bothriochloa saccharoides)</td>
<td>5 lbs/acre</td>
</tr>
<tr>
<td>Sideoats grama (Bouteloua curtipendula)</td>
<td>5 lbs/acre</td>
</tr>
<tr>
<td>Plains bristlegrass (Setaria macrostachya)</td>
<td>6 lbs/acre</td>
</tr>
</tbody>
</table>

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

On the lands described below:

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

Waiver: Operations within the Level II Development Area will be strictly controlled. Where allowed, conditions for waiver of the above restrictions are listed above in the measures to be applied. Other restrictions may be waived or modified by the BLM authorized officer on a case by case basis.
Guadalupe Escarpment Scenic Area
Visual Resource Management Class III Objectives
Special Stipulations

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

Special Operating Constraints:

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

1. The proposed pad size must be reduced to the minimum necessary for safe drilling operations. Final well pad dimensions will be determined during the permit approval process. Vehicle travel outside approved surface disturbance areas is prohibited and not authorized.

2. All above ground facilities, structures, appurtenances, and pipelines must be low profile (less than 7 feet in height), unless this requirement is waived or modified by the BLM authorized officer.

3. All above ground facilities, structures, appurtenances, and pipelines will be painted with a site-specific non-reflective (Flat) paint color in accordance with Notices to Lessees and Operators 87-1 (New Mexico).

4. Upon completion of the well and installation of the production facilities (if the well is a producer) the pad will be reclaimed back to a size necessary for production operations only. The edges will be recontoured and the extra caliche and pad material will be hauled off-site.

5. Reclaimed areas will be grid rolled and reseeded.
NO SURFACE OCCUPANCY
SAND DUNE LIZARD HABITAT AREAS

All or a portion of the lease is within habitat suitable for Sand Dune Lizard (SDL), special status species of concern. In accordance with the BLM “INTERIM MANAGEMENT FOR THE SHINNERY OAK SAND DUNE HABITAT COMPLEX,” dated August 2004, regardless of the Zone BLM will restrict new leases on Federal minerals for all Management Zones that have occupied and/or suitable lizard habitat. Restriction of new leases would result in the protection of key (SDL) habitat until further analysis can be made through the plan amendment process. This lease is issued with the intention that it be developed by directional drilling from or prorating within the lease boundaries or from an existing lease on the periphery of the designated NSO portion of the lease. Plans of development may be requested by the BLM in these habitats. This stipulation may not be waived unless or until decisions on management of the habitat complex allow such waivers. These decisions will be made by the Bureau of Land Management in a Resource Management Plan (RMP) Amendment to the Roswell and Carlsbad RMPs.

No Surface Occupancy on the lands described below:

Carlsbad Field Office
New Mexico State Office
All or a portion of the lease is within habitat suitable for the Lesser Prairie Chicken and/or the Sand Dune Lizard, special status species of concern. In accordance with the BLM “INTERIM MANAGEMENT FOR THE SHINNERY OAK SAND DUNE HABITAT COMPLEX,” dated August 2004, surface occupancy is allowed in Zone 3 habitat, however; NSO may be applied to part of the lease in sand dunes and/or shinnery oak to protect key habitat areas within Zone 3. This lease is issued with the intention that it be developed by directional drilling from or prorating within the lease boundaries or from an existing lease on the periphery of the designated NSO portion of the lease. Plans of development may be requested by the BLM in these Zone 3 habitats. This stipulation may not be waived unless or until decisions on management of the habitat complex allow such waivers. These decisions will be made by the Bureau of Land Management in a Resource Management Plan (RMP) Amendment to the Roswell and Carlsbad RMPs.

No Surface Occupancy on the lands described below:
NO SURFACE OCCUPANCY
LESSER PRAIRIE CHICKEN
KEY HABITAT AREAS WITHIN ZONE 4

All or a portion of the lease is within habitat suitable for the Lesser Prairie Chicken, a special status species of concern. In accordance with the BLM “INTERIM MANAGEMENT FOR THE SHINNERY OAK SAND DUNE HABITAT COMPLEX,” dated August 2004, surface occupancy is allowed in Zone 4 habitat, however; NSO may be applied to portions of a lease in sand dunes and/or shinnery oak to protect key habitat areas within Zone 4 or until surveys deem habitat unsuitable for LPC. Plans of development may be requested by the BLM in Zone 4 habitat. This lease is issued with the intention that it be developed by directional drilling from or prorating within the lease boundaries or from an existing lease on the periphery of the subject lease. This stipulation may not be waived unless or until decisions on management of the habitat complex allow such waivers. These decisions will be made by the Bureau of Land Management in a Resource Management Plan (RMP) Amendment to the Roswell and Carlsbad RMPs.

No Surface Occupancy on the lands described below:
We’re On-Line!!

BLM, New Mexico
Oklahoma
Kansas
Texas

www.nm.blm.gov

Oil & Gas Information includes:

- Sale Notice
- Sale Schedule
- FAQS
- Leasing Instructions & Guidelines
- NTLs, Onshore Orders

Sale Results
Forms
Contacts

Email links are provided at the site for your comments and suggestions