

OIL AND GAS LEASE SPECIAL CONDITIONS

No occupancy or other surface disturbance will be allowed which will result in alteration or degradation of the historically/environmentally significant _____, as shown on Exhibit "B".

Due to heavy recreational use by the general public, occupancy or other surface disturbance along any trail and around _____ may be restricted as determined by the Department on a site specific basis. Under no circumstances will occupancy or other surface disturbance be allowed within 500 feet of the _____, without the express written consent of the Department. (Shown as excluded acres on Exhibit B)

or

No occupancy or other surface disturbance will be allowed within 500 feet of the _____ (shown as excluded acres on Exhibit B) without the express written consent of the Department.

Occupancy or other surface disturbance of any type may be limited at certain times of the year due to high recreational use of the area by the general public or due to wet weather and muddy conditions. Department will determine on a site specific basis the appropriate time when occupancy or other surface disturbance activities may take place.

The _____, listed on the New York State Threatened Species list, may occupy the Property. Prior to the approval of any drilling operations, Lessee shall conduct to the Department's satisfaction a survey of the area to be cleared for well site(s) and access road(s) to determine if any _____ areas are present. After the survey is completed, conditions of approval will be formulated, if necessary, to mitigate any adverse impacts upon the _____ and its habitat.

Lessee shall be responsible for dissemination of information to its employees and agents entering upon the Property by reason of oil and gas operations conducted thereon pursuant to this lease, of the possible presence of the _____ and its protected status as a threatened species on the New York State Endangered and Threatened Species List provided for in Article 11, Title 5, Section 35 of the Environmental Conservation Law and Part 182 of 6NYCRR. (Article 9, Title 15, Section 03 of the ECL and Part 193.3 of 6 NYCRR for plants) Lessee shall further be responsible to the Department for the conduct of its agents and employees on the Property with respect to the protection of the _____ and its habitat.

If any other species listed on the New York State Endangered and Threatened Species List is found to occupy, or suspected of occupying, the disturbed area, the above conditions shall apply.

Excluded acres as shown on Exhibit B include slopes greater than 25 percent and require

specific written approval by the Department for surface entry of any type.

Cultural Resource Surveys - Prior to applying for a drilling permit and in advance of the pre-drilling work meeting, the applicant shall complete and submit to the Department, a Stage 1A (literature search and sensitivity assessment) cultural resource study for the general area in which drilling and other construction activities are likely to occur. The area of study shall be large enough to encompass alternative well pad, access road and gathering line locations. This work shall include an archaeological sensitivity assessment for the proposed project area. If the Stage 1A *study* concludes that the project area is not archeologically sensitive, no further action is necessary.

If any construction, excavation or other earth moving are proposed for any areas identified as archaeologically sensitive in the Stage 1A assessment, a Stage 1B (*field investigation*) survey shall be completed prior to the submission of the drilling permit application. The Stage 1B report shall be submitted as a part of the drilling permit application. If the Stage 1B survey identifies no cultural resources, no further action is required. If resources are identified in the Stage 1B survey, additional investigations or changes in project siting or planning may be required by the Department.

The Department shall have 30 days to comment on and issue final approval of the Stage 1A and 1B reports, including additional investigations or changes in project siting. The reports and/or changes shall be considered approved if the Department fails to comment within this time frame. All cultural resource work shall be completed by an archaeologist who meets the 36 CFR 61 standards and shall fully comply with the New York Archaeological Council Standards for Cultural Resource Investigations and Curation of Archaeological Collections.

Well Site Development - if the proposed drilling of a fourth or subsequent well on the Property will result in the clearing of a new well site location (drilling pad) and access road such that the drilling pad density on the Property would exceed one (1) drilling pad per three hundred and twenty (320) acres; the Lessee shall, prior to any further drilling pad and access road construction on the Property, submit a drilling pad development plan for the Department's approval which will minimize the surface disturbance of the Property. The plan shall identify, on a well by well basis, specific techniques to be employed to keep surface impacts to a minimum and reduce segmentation of the Property while remaining consistent with the well spacing requirements of Article 23 of the Environmental Conservation Law and its attendant regulations. Techniques to achieve the above stated objective shall primarily rely on, but, subject to Department approval, shall not be limited to:

- use of existing roads,
- locating new well pads adjacent to existing roads,
- expanding existing well pads to accommodate additional wells, and
- directional drilling one or more wells from an existing or new pad.

Any variation from the final approved plan must be approved by the Department in writing.