Nos. 12-1322 & 12-1339

UNITED STATES COURT OF APPEALS
FOR THE TENTH CIRCUIT

CONSERVATION COLORADO EDUCATION FUND, et al.,
Plaintiffs-Appellees/Cross-Appellants

SALLY JEWELL, in her official capacity as Secretary of the Department of the Interior, et al.,
Defendants-Cross-Appellees

BILL BARRETT CORPORATION,
Intervenor-Appellant/Cross-Appellee, and

OXY USA INC., et al.,
Intervenors-Cross-Appellees.

On Appeal from the United States District Court for the District of Colorado
Civil Action No. 1:08-cv-01460-MSK-KLM
The Honorable Marcia S. Krieger, District Judge

STIPULATED SETTLEMENT AGREEMENT

Plaintiffs-Appellees/Cross-Appellants Conservation Colorado Education Fund, Colorado Mountain Club, Colorado Trout Unlimited, Rocky Mountain Wild, Rock the Earth, Natural Resources Defense Council, National Wildlife Federation, Sierra Club, The Wilderness Society, and Wilderness Workshop (collectively, "Plaintiffs"); Intervenor-Appellant/Cross-Appellee Bill Barrett Corporation ("BBC"); former Defendant-Intervenor, Vantage Energy Piceance LLC ("Vantage"); Intervenors-Cross-Appellees WPX Energy Rocky Mountain, LLC ("WPX"), OXY USA, Inc. ("OXY"), and Ursa Piceance, LLC ("Ursa") (Intervenor-Appellant/Cross-Appellee, former Defendant-Intervenor, and Intervenors-Cross-Appellees collectively, "Defendant-Intervenors" or "Lessees"); and Federal Defendants-Cross-Appellees (collectively, "BLM" or "Federal Defendants") (collectively, the "Parties") hereby enter into this Settlement Agreement for the purpose of settling this lawsuit without further judicial proceedings. The Parties hereby state as follows:

WHEREAS, Vantage originally purchased the leases identified in Paragraph 2 from the United States;

WHEREAS, Vantage sold a ninety percent interest in the leases identified in Paragraph 2 to BBC on June 12, 2009 and retained a ten percent interest in said leases;

WHEREAS, on July 11, 2008, Plaintiffs filed a Complaint for Declaratory and Injunctive Relief against the Federal Defendants alleging that BLM's 2007 Roan Plateau Record of Decision ("2007 ROD") and 2008 Record of Decision ("2008 ROD") approving the Roan Plateau Resource Management Plan Amendment and BLM's decision to offer oil and gas leases in the Roan Plateau Planning Area (the "Planning Area") violated the National Environmental Policy Act ("NEPA") and the Federal Land Policy and Management Act ("FLPMA");

WHEREAS, on June 22, 2012, the United States District Court for the District of Colorado ruled in Plaintiffs' favor on three issues (the "District Court Order");

WHEREAS, BBC has appealed the District Court Order, and Plaintiffs have filed a cross-appeal, both of which are pending in this Court;

WHEREAS, on January 28, 2013, BLM published its Notice of Intent to Prepare a Supplemental Environmental Impact Statement (the "SEIS") and Resource Management Plan Amendment for the Roan Plateau, Colorado (the "RMPA"), which will provide management direction for the Planning Area and amend two existing resource management plans: the Glenwood Springs Field Office Resource Management Plan ("RMP") and the White River Field Office RMP;

WHEREAS, the Parties, through their authorized representatives, and without any admission or adjudication of the issues of fact or law, have reached a settlement resolving the claims in this case;

WHEREAS, the State of Colorado has provided BLM an acknowledgement and acceptance of the fact that, by operation of law as required by 30 U.S.C. § 1721a, it will be required to reimburse the United States for its percentage of the previously disbursed bonus payments and annual rental payments attributable to the leases that will be canceled pursuant to this Settlement Agreement;

THEREFORE, the Parties enter this Settlement Agreement and stipulate and agree as follows:

A. Effective Date and Stay of Appeal

1. The Effective Date of this Settlement Agreement is the date on which it is executed by the last party to sign this Settlement Agreement. Within 10 days of the Effective Date of this Settlement Agreement, the Parties will file a joint motion for stay of proceedings in this Court, as set forth in the motion and proposed order attached as Exhibit 1.

B. Cancellation of Leases and Refund of Bonus Bids and Rentals

2. The BLM will cancel the following leases pursuant to its authority under 43 C.F.R. 3108.3(d): COC73066, COC73073, COC73074, COC73075, COC73076, COC73077, COC73078, COC73079, COC73080, COC73081, COC73082, COC73084, COC73086,

COC73087, COC73088, COC73089, and COC73090. The BLM will cancel the leases no later than 60 days after the Effective Date of this Settlement Agreement.

3. Upon cancellation of the leases identified in Paragraph 2, BLM shall refund to BBC, pursuant to Section 111A of the Federal Oil and Gas Royalty Simplification and Fairness Act, 30 U.S.C. §1721a, the bonus payments and annual rental payments attributable to the cancelled leases, on condition that, within 30 calendar days following such cancellation, BBC and Vantage jointly submit to the Office of Natural Resources Revenue a request for a refund pursuant to 30 U.S.C. § 1721a(b)(1). BBC and Vantage explicitly waive any claim of interest pursuant to 30 U.S.C. § 1721(h) for the bonus payments and annual rental payments attributable to the cancellation of the leases identified in Paragraph 2, and agree not to request any refund of interest when making the request for a refund herein contemplated.

4. BBC and Vantage agree that the refund of monies referenced in Paragraph 3 of this Settlement Agreement (hereinafter "refund monies") shall be made directly to BBC. BBC warrants that no party, other than Vantage, has an interest in the leases identified in Paragraph 2 or is entitled to the refund of monies based on the cancellation of those leases. BBC and Vantage agree not to appeal or otherwise object to the cancellation of the leases described in Paragraph 2 of this Settlement Agreement or make any claim against the United States related to the cancellation of the leases described in Paragraph 2 of this Settlement Agreement. BBC and Vantage agree that BBC shall be solely responsible for providing Vantage with its share of the refund monies. In the event any entities other than BBC and Vantage are determined to have an ownership interest in the leases described in Paragraph 2, BBC agrees to assume sole liability, and will hold the United States harmless, for any monetary claims asserted by those entities.

C. Resource Management Plan Amendment and Supplemental Environmental Impact Statement

5. BLM agrees that, as part of the SEIS being prepared in response to the District Court Order, it will examine in detail an alternative for the RMPA (the "Settlement Alternative") that includes the following elements:

a. Making the lands covered by the leases described in Paragraph 2 closed to new leasing;

b. Making the lands on top of the Roan Plateau that are presently contained within leases COC73091 and COC73092 ("BBC Retained Leases") open to oil and gas leasing and development, subject to lease notices, stipulations, and standard lease terms and conditions consistent with those for the BBC Retained Leases, except as modified by a new stipulation that incorporates the terms and conditions set forth in Exhibit 2; and

c. Making the lands at the base of the Roan Plateau that are presently contained within leases COC73064, COC73065, COC73067, COC73068, COC73069, COC73070, COC73071, COC73072, COC73083, COC73085, COC73093, and

COC73094 (collectively, the "Base Leases") open to oil and gas leasing and development, subject to lease notices, stipulations, and standard lease terms and conditions consistent with those for the Base Leases, except as modified by a new stipulation that incorporates the terms and conditions set forth in Exhibit 3.

6. BLM agrees that the SEIS will address the following:

a. Impacts to air quality as required by pages 29-37 of the District Court Order;

b. Impacts to greater sage grouse, taking into consideration the analysis in the Environmental Impact Statement for the Northwest Colorado Greater Sage-Grouse Resource Management Plan Amendment, and any resulting decisions;

c. The management of lands having wilderness characteristics consistent with BLM Manual 6320, considering the BLM's most recent inventory of such lands; and

d. Other matters as required by applicable law and policy, including consideration of new information or changed circumstances that may result in significantly different environmental effects from those addressed in the 2006 Environmental Impact Statement prepared by the BLM for the Planning Area.

7. BLM agrees that it will make its best effort to complete the final SEIS and issue a Record of Decision within 24 months of the Effective Date of this Settlement Agreement. The BLM will use information from existing NEPA analyses and other materials, as appropriate, consistent with 43 C.F.R. § 46.120 and 40 C.F.R. § 1502.21.

8. BLM agrees that: (a) pursuant to Onshore Oil and Gas Order Number 1, 72 Fed. Reg. 10308 (Mar. 7, 2007), BLM shall post any Application for Permit to Drill ("APD") or Master Development Plan ("MDP") submitted on leases described in Paragraphs 5.b. and 5.c. for 30 days prior to approval on BLM's Colorado River Valley Field Office APD web page; and (b) before authorizing construction of a new well pad (including wells for exploratory drilling), or centralized development or production facility, when the majority of the pad or facility is located within any portion of a Base Lease that is subject to a no surface occupancy/no ground disturbance ("NSO") stipulation, BLM will prepare a site-specific NEPA analysis of the proposed development.

D. Dismissal of Case and Agreements Not to Sue

9. Within 10 days following the cancellation of the leases identified in Paragraph 2, the Parties will jointly move to withdraw all pending motions filed with the U.S. Court of Appeals for the Tenth Circuit and will stipulate, pursuant to Fed. R. App. P. 42, to the voluntary dismissal of all appeals filed in this case, with each Party to bear its own costs, except as provided in Paragraph 16.

10. Plaintiffs agree that if BLM's final Record of Decision adopts the Settlement Alternative, they will not pursue an administrative protest, petition for state director review,

appeal to the Interior Board of Land Appeals ("IBLA"), or judicial challenge to (1) the Record of Decision for the RMPA, or (2) any approved APD, MDP, geographic area plan, or other plan for oil and gas activities on leases that complies with the applicable requirements of the Settlement Alternative as set forth in Paragraph 5 and Exhibit 2 (for the BBC Retained Leases) or Exhibit 3 (for the Base Leases). Plaintiffs additionally agree to engage as broad a spectrum of the environmental and conservation community as possible not to pursue an administrative protest, petition for state director review, IBLA appeal, or judicial challenge to those decisions.

11. Defendant-Intervenors agree that if BLM's final Record of Decision adopts the Settlement Alternative, they will not pursue an administrative protest, petition for state director review, appeal to the IBLA, or judicial challenge to the Record of Decision for the RMPA. Defendant-Intervenors further agree not to pursue a petition for state director review, appeal to the IBLA, or judicial challenge to any decision by BLM to modify their leases to include the terms and conditions set forth in Paragraph 5 and Exhibits 2 and 3, or to impose applicable terms and conditions from Paragraph 5 and Exhibits 2 and 3 on the approval of any APD, MDP, geographic area plan, or other plan for oil and gas activities on Defendant-Intervenors' leases.

12. Plaintiffs and Defendant-Intervenors further agree that they will not fund any other entity or person not a party to this Settlement Agreement to commence an administrative or judicial challenge that would be barred by this Settlement Agreement if brought by Plaintiffs or Defendant-Intervenors.

13. Except as expressly provided in Paragraphs 10-12 and Exhibits 2 and 3, nothing in this Settlement Agreement is intended to limit or waive Plaintiffs' and Defendant-Intervenors' rights to challenge: (a) the Record of Decision on remand (including a decision not to adopt the Settlement Alternative); or (b) any BLM decision related to oil and gas activities in the Planning Area (including, but not limited to, preserving Plaintiffs' right, subject to Paragraphs 10-12 and Exhibits 2 and 3, to challenge the approval of surface disturbing activities at a location identified in a Base Lease as being subject to an NSO stipulation and the grant of any exceptions, modifications or waivers of lease stipulations).

14. The Parties acknowledge that nothing in this Settlement Agreement affects BLM's discretion to adopt the plan of its choice among the alternatives (or a combination of the alternatives) analyzed in the SEIS.

E. Additional Terms

15. In the event any of the Parties believes a Party has breached its obligations under this Settlement Agreement, the Party alleging breach shall provide the allegedly breaching Party written notice and a reasonable opportunity to cure the alleged breach. The Parties agree that no Party shall be subject to any claim for money damages as a result of a breach of this Settlement Agreement, except for breaches of Paragraphs 3 and 16. The Parties further agree that the obligations set forth in Paragraphs 5 through 8 are not enforceable through a judicial action for breach of contract or other similar claim, and that any challenge to the sufficiency

of the SEIS, including the BLM's compliance with the obligations set forth in Paragraphs 5 through 8, may be brought only in a separate administrative or judicial action challenging the validity of the Record of Decision under the Administrative Procedure Act ("APA"), 5 U.S.C. §§ 551–559.

16. Each Party will bear its own attorneys' fees, costs and other expenses incurred during the entirety of this case, including those related to negotiation of this Settlement Agreement and prior attempts to reach settlement, except as otherwise outlined herein below:

a. BLM agrees to settle Plaintiffs' entire claim for any and all attorneys' fees, expenses, and costs by payment in the amount of $400,000.00.

b. Plaintiffs agree to accept payment of $400,000.00 in full satisfaction of any and all claims for attorneys' fees, expenses, and costs of litigation to which they allege they may be entitled in the above-captioned case, including any all claims, demands, rights, and causes of action pursuant to the Equal Access to Justice Act ("EAJA"), or any other statute, provision, or common law theory.

c. Effective upon Plaintiffs' receipt of payment from Federal Defendants, Plaintiffs herein release the United States, including each named Federal Defendant, from any claims for attorneys' fees, expenses, and costs of litigation in the above-captioned case pursuant to the EAJA, and any other statute, provision, or common law theory, for attorneys' fees, expenses, and costs in the above-captioned case.

d. Federal Defendants agree to submit all necessary paperwork to the appropriate offices of the federal government within 20 business days after all appeals are dismissed, or Plaintiffs provide the necessary information as required by Paragraph 16.e. to facilitate the payment, whichever is later.

e. Federal Defendants' payment will be made by electronic funds transfer of the agreed upon settlement amount into the account of Plaintiffs' attorney. Plaintiffs' attorney is receiving funds in trust for Plaintiffs, and Plaintiffs agree to this procedure. Plaintiffs and their attorneys agree to hold harmless Federal Defendants in any litigation, further suit, or claim arising from the payment of the agreed upon settlement amount pursuant to this Paragraph, other than for an allegation of Federal Defendants' breach of Paragraph 16 of this Settlement Agreement. Undersigned Plaintiffs' attorney shall provide all necessary account information to make the electronic funds transfer(s) including, as necessary: (1) Plaintiffs' counsel's tax identification number; (2) payee account name; (3) routing/transit number; (4) account number; (5) type of account; (6) name and address of banking institution; and (7) any other necessary information needed to make the payment, to the undersigned Federal Defendants' counsel. Thereafter, the Federal Defendants shall submit all necessary paperwork as provided in Paragraph 16.d. Undersigned Plaintiffs' counsel agrees to provide confirmation of the receipt of the agreed upon settlement amount to undersigned Federal Defendants' counsel within 14 days.

f. The Parties agree that Paragraph 16 was negotiated in good faith and it constitutes a settlement of claims for attorneys' fees and costs that were vigorously contested, denied, and disputed by the Parties.

17. This Settlement Agreement was negotiated for the purpose of avoiding further litigation. The Parties agree that this Settlement Agreement has no precedential value and does not represent an admission or waiver by any Party to any fact, claim, or defense relating to any issue in this lawsuit and shall not be admissible as evidence of any fact, claim, or defense in any litigation, other than litigation to enforce the terms of this Settlement Agreement. This Paragraph is not intended to limit or override any specific provisions in this Settlement Agreement.

18. The terms of this Settlement Agreement constitute the entire Settlement Agreement of the Parties, and no statement, agreement, or understanding, whether oral or written, which is not contained herein, shall be recognized or enforced, unless all Parties agree in writing to amend this Settlement Agreement.

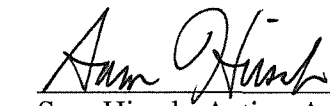
19. Nothing contained in this Settlement Agreement shall be construed as a commitment or requirement that the Federal Defendants obligate or pay funds in contravention of the Anti-deficiency Act, 31 U.S.C. § 1341, or other applicable law.

20. Nothing in the terms of this Settlement Agreement shall be construed to limit or deny the power of the federal government to promulgate or amend regulations.

21. This Settlement Agreement applies to the Parties and upon Plaintiffs' and Intervenor-Defendants' successors, agents, and assignees.

22. The undersigned representatives of the Parties certify that they are authorized by the Parties they represent to execute this Settlement Agreement.

Date Signed: November 19, 2014



Sam Hirsch, Acting Assistant Attorney General
Environment & Natural Resources Division
Jason A. Hill, Trial Attorney
Natural Resources Section
Brian Toth, Trial Attorney
Appellate Section

Attorneys for Federal-Defendants/Cross-Appellees

Date Signed: November 19, 2014

Michael S. Freeman

Michael S. Freeman
James S. Angell

Attorneys for Plaintiffs-Appellees/Cross-Appellants
Conservation Colorado Education Fund, *et al.*

Date Signed: November __, 2014

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Duane Zavadil

Senior Vice President, Government and Regulatory Affairs for Intervenor-Appellant/Cross-Appellee, Bill Barrett Corporation

Date Signed: November __, 2014

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Don Simpson

Vice President - Business Development for Intervenor-Cross-Appellee Ursa Piceance, LLC

Date Signed: November __, 2014

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Chad Odegard

Vice President – Piceance Asset Team for Intervenor-Cross-Appellee WPX Energy Rocky Mountain, LLC

Date Signed: November __, 2014

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Jeff Alvarez

Division Manager, Piceance-South Texas for Intervenor-Cross-Appellee OXY USA, Inc.

Date Signed: November __, 2014

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Thomas B. Tyree, Jr.

President and Chief Financial Officer for former Defendant-Intervenor, Vantage Energy Piceance LLC

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Attorneys for Plaintiffs-Appellees/Cross-Appellants
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LLC

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President and Chief Financial Officer for former Defendant-Intervenor, Vantage Energy Piceance LLC

Exhibit 1

Case Nos. 12-1322, 12-1339

IN THE UNITED STATES COURT OF APPEALS
FOR THE TENTH CIRCUIT

CONSERVATION COLORADO EDUCATION FUND*, et al.*,
Plaintiffs – Appellees/Cross-Appellants,

v.

SALLY JEWELL,[1] in her official capacity as
Secretary of the Interior, *et al.*,
Federal Defendants – Cross-Appellees,

BILL BARRETT CORPORATION,
Intervenor – Appellant/Cross-Appellee,

and

OXY USA, INC., *et al.*,
Intervenors – Cross-Appellees.

JOINT MOTION FOR A STAY OF APPELLATE PROCEEDINGS

Pursuant to discussions held under Tenth Circuit Rule 33.1, the undersigned have reached a settlement agreement that they expect will eventually result in the dismissal of the appeals with prejudice. The undersigned jointly request that the Court stay the proceedings on

[1] Sally Jewell was sworn in as the Secretary of the Interior while this appeal was pending and is substituted for her predecessor, Kenneth Salazar, pursuant to Fed. R. App. P. 43(c)(2).

appeal for a period of 75 days while the parties carry out their commitments under that agreement that are necessary before they file their stipulation for voluntary dismissal.

Counsel for intervenors/cross-appellees OXY USA Inc. and WPX Energy Rocky Mountain, LLC and counsel for intervenors/cross-appellees Ursa Piceance LLC have been consulted and do not oppose this motion.

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Attorney for Federal Defendants/ Cross-Appellees Sally Jewell, *et al.*

Case Nos. 12-1322, 12-1339

IN THE UNITED STATES COURT OF APPEALS
FOR THE TENTH CIRCUIT

CONSERVATION COLORADO EDUCATION FUND*, et al.*,
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v.

SALLY JEWELL, in her official capacity as
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Federal Defendants – Cross-Appellees,

BILL BARRETT CORPORATION,
Intervenor – Appellant/Cross-Appellee,

and

OXY USA, INC., *et al.*,
Intervenors – Cross-Appellees.

PROPOSED ORDER

In accordance with 10th Cir. R. 33.1 and upon consideration of the parties' joint motion, and the lack of opposition thereto, the proceedings in this appeal are hereby stayed for a period of 75 days.

Entered for the Court,

ELISABETH A. SHUMAKER,
Clerk

Exhibit 2

EXHIBIT 2

RETAINED LEASES

Under the Settlement Alternative, the lands contained within the Retained Leases would be open to oil and gas leasing and development, subject to lease notices, stipulations, and standard lease terms and conditions consistent with those for the Retained Leases, except as modified by a new stipulation that includes the following terms and conditions:

A. No more than 7 well pads may be located on the Retained Leases; including pads drilled for either exploration or production activities. Subject to onsite inspection and approval by the Bureau of Land Management ("BLM") and other regulatory agencies, well pads shall be located approximately as depicted in the attached map. Exhibit 2.A.

Each well pad may disturb no more than 10 acres of the surface when drilling operations are occurring, and may be limited to a smaller size if BLM determines 10 acres are not needed for projected drilling operations. Each well pad shall be limited to approximately 3 acres of un-reclaimed surface during production.

There shall be no more than four pads on the Retained Leases at any time that take up more than three acres each of un-reclaimed surface. Those four pads may take up to a total of approximately 40 acres of un-reclaimed surface, with drilling operations occurring on no more than two of the pads at any one time. For purposes of this requirement, surface is considered reclaimed if BLM determines that its interim reclamation requirements have been met.

The Retained Leases are not required to be joined in a federal unit.

B. Primary access shall be limited to designated roads approximately as depicted on the attached map, Exhibit 2.A., subject to BLM's onsite inspection and approval. Operators may not use Cow Creek Road or the Rim Road east of the retained leases for access except in emergencies. For purposes of this requirement, an "emergency" means unforeseeable physical inaccessibility for other routes or an unforeseeable condition creating a significant risk of environmental harm or injury to persons. Limitations on contractual access from the south or west, or foreseeable delays in obtaining access for drilling, site preparation, completion activities, or regularly-scheduled maintenance and other activities, do not represent an emergency. Where an emergency situation exists, access for maintenance of on-going active drilling and completion operations, and service for existing production, is allowed.

C. Pipeline and gathering line infrastructure, water lines, and utility lines, shall be collocated with designated access roads as depicted on the attached map, Exhibit 2.A., subject to BLM's onsite inspection and approval, and may depart from designated access roads if BLM determines that doing so reduces net disturbance or visual impacts. No less than 90 percent of the total pipeline length shall be collocated.

D. Prior to exploration and/or lease development on the Retained Leases, the operator must submit a proposed Master Development Plan ("MDP") identifying projected activity (including well locations, roads, pipelines, facilities and associated infrastructure) and appropriate monitoring and methodologies in conformance with the requirements of the resource management plan as adopted to incorporate the Settlement Alternative.

E. Prior to submitting the MDP, the operator shall consult with the Colorado Division of Parks and Wildlife and BLM to develop terms that minimize impacts to wildlife and other resources. Agreed-upon terms shall be included in the operator's proposed MDP.

F. The following will be required in any approved MDP, and incorporated as conditions of approval for all drilling permits:

a. Road engineering standards to minimize disturbance associated with road improvements;

b. Requirements for removing unnecessary infrastructure as soon as feasible;

c. The required reclamation plan will include reclamation processes that can be reasonably expected to meet the 5 year reclamation standard within 3 growing seasons;

d. Closed-loop drilling systems and/or tanks shall be used instead of pits, except for pits used solely to store fresh water;

e. Telemetry for remote monitoring of producing wells;

f. Wellheads to be subject to appropriate measures for visual impact mitigation;

g. Conveyance by pipeline of drilling water, water used for hydraulic fracturing and completions, and flowback water, to minimize truck traffic;

h. Centralized water management during drilling, completion and production (e.g., not every location will have pits);

i. Recycling of water used during well completions, and recycling of produced water while well completion activities are in progress;

j. Conveyance by pipeline of produced water and condensate to centralized facilities to minimize truck traffic;

k. Utilize centralized compression, storage, separation and dehydration facilities;

l. No more than 3 centralized facilities will be constructed for all centralized management purposes in Paragraphs F.h., F.j. and F.k., and those facilities will be located on three of the potential locations indicated on the attached map, Exhibit 2.A.;

m. Disclosure of all chemicals used during drilling and production activities. Chemicals used during completion activities shall be disclosed pursuant to Colorado Oil and Gas Conservation Commission rules;

n. Tier III equivalent or lower emissions for drill rigs for all wells;

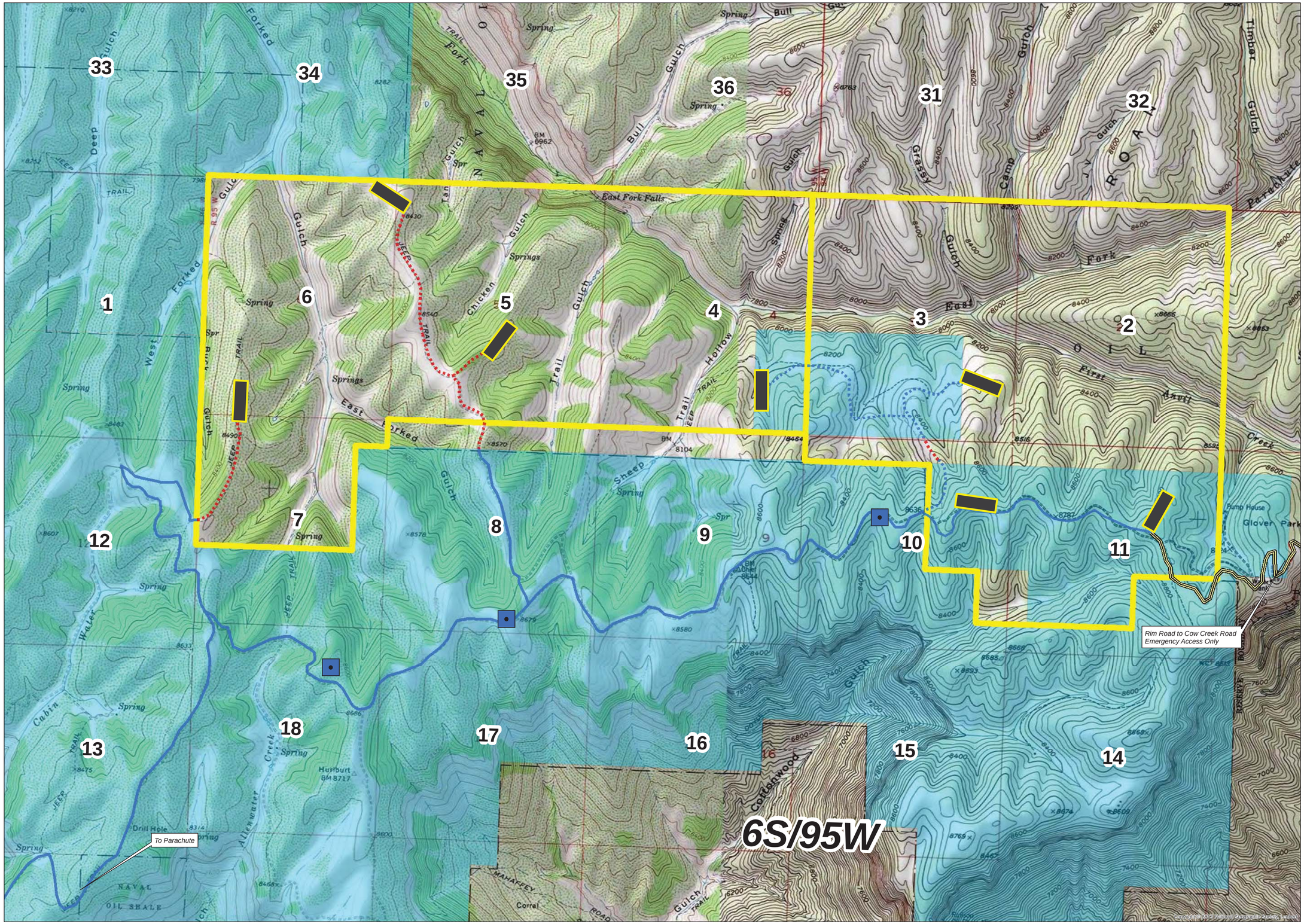
o. Vapor combustors or vapor recovery on all condensate tanks, water tanks and dehydrators, and no/low-bleed control valves on all facilities;

p. Reduced-emission ("green") completions, as defined by 40 C.F.R. § 60.5430; and

q. Utilize liquids lifting practices to limit venting, including plunger lifts or alternative technologies that are at least as effective in limiting venting.

G. Potential conditions of approval identified in the applicable record of decision replace those identified in the 2006 Proposed Resource Management Plan Amendment/Final Environmental Impact Statement and associated records of decision.

Exhibit 2A



Bill Barrett Corporation

Exhibit 2 - Attachment A
Roan Plateau Retained Leases
Development Plan

N
W E
S

Legend

- Potential Central Gathering Facility Locations
- BBC Retained Leases
- BBC Proposed Well Pads

Federal Surface Access Roads

- Existing O&G ROW
- Upgrade of Existing Road

Private Surface Access Roads

- Existing O&G ROW
- Upgrade of Existing Road
- Rim Road to Cow Creek Road
- Private Surface Ownership

Exhibit 3

EXHIBIT 3

BASE LEASES

Under the Settlement Alternative, the lands contained within the Base Leases would be open to oil and gas leasing and development, subject to lease notices, stipulations, and standard lease terms and conditions consistent with those for the Base Leases, except as modified by a new stipulation that includes the following terms and conditions:

A. Prior to exploration and/or lease development on it Base Leases, an operator shall submit a proposed master development plan ("MDP") identifying its projected activities. Prior to submitting the MDP, an operator shall consult with the Colorado Division of Parks and Wildlife and Bureau of Land Management to develop terms that minimize impacts to wildlife and other resources. Agreed-upon terms shall be included in the operator's MDP.