

**National Carbon Offset Coalition, Inc. (NCOC)
PROJECT APPLICATION AND EXCLUSIVE RIGHT TO MARKET CARBON CREDITS
RANGELAND SOIL CARBON MANAGEMENT**

PROJECT OWNER: _____

PROJECT NAME: _____ COUNTY: _____

AFFILIATE: United States Cattlemen's Association

Section 1 – Project Description

1. Total Acres in this project: _____
2. When was the new grazing management system established? _____ (date)
3. Briefly describe the management system. (Stocking levels, livestock distribution pattern (rotation grazing, seasonal use, etc.), weed control, etc.)

4. What was the condition of the rangeland before the new grazing system was established?

5. Briefly describe the documents or records that will be used to verify the conformance with the CCX eligibility requirements for this project.

6. What are the primary purposes of this project? (check all that apply) Carbon Sequestration Soil and water protection Wildlife Habitat Range Production Other (list)

7. What is the planned duration of the project? _____ years.

Agreed:

Section 2 - NCOC's Exclusive right to Market

1. The NCOC shall have the exclusive right to market Carbon Sequestration Units (CSU's)¹ from Carbon Sequestration Projects developed on the following real property:

(Insert legal description here for each parcel. Attach a location map)

¹ A Carbon Sequestration Unit (CSU) is defined as 1 metric ton (2204 lbs.) of carbon dioxide sequestered in soil or woody biomass. See NCOC Planning Handbook (Available at www.ncoc.us).

Section 3 - General Terms

The undersigned shall cooperate with NCOC to develop a Carbon Sequestration Project Plan that meets NCOC requirements. (See NCOC Planning Handbook) Cooperation includes, but is not necessarily limited to, allowing access to the above-described property and providing associated management documents for the property to NCOC or its representatives for all reasonable purposes including but not limited to planning, measuring, monitoring, or auditing the Carbon Sequestration Project.

If a sale of CSU's is completed for the above-described property, the undersigned agrees to provide NCOC with such annual reports and/or attestations as NCOC's requests to provide information regarding the status and condition of the project.

The undersigned parties agree that NCOC forms, NCOC procedures and NCOC information are confidential and proprietary. The undersigned parties shall neither disclose information about NCOC forms, procedures or information, nor shall the undersigned parties provide copies of NCOC forms procedures or information to third parties except as specifically authorized in writing by NCOC representatives.

Signature: _____

Dated: _____

Contact Person:

Mailing Address:

City _____ State _____

Phone: _____

Email: _____

Section 5 – Estimated Carbon Sequestration

The following is a non-binding estimate of the carbon stock increases anticipated on the above project:

Year	2003	2004	2005	2006	2007	2008	2009	2010
Soil Carbon Increase (tCO ₂ e/ac) from CCX Table								
Total Acres in project								
Total tons CO ₂ e								
20% Reserve Pool								
Net tons CO ₂ e for CCX								

Attachments: Map of project area
Photographs of representative sites

BRIEF LIST OF CCX REQUIREMENTS FOR RANGELAND SOIL CARBON MANAGEMENT PROJECT

The following are taken from CCX document “CCX Rangeland Soil Carbon Management Offsets” dated 3-8-2007. Material used with permission from CCX. CCX may change requirements or eligible areas and/or rates at any time. For more detailed information, contact NCOC.

Requirements:

1. Project must occur on rangeland as defined by the Natural Resources Conservation Service.
2. Project must be located in an eligible county as defined by CCX (See attached map)
3. Carbon credits may be issued for each year that verifiable grazing practices have been implemented from 2003 to 2012.
4. Project can consist of:
 - a. Increasing soil carbon sequestration through a grazing management program on non-degraded rangeland. The program must employ sustainable stocking rates, rotation grazing, and seasonal use controls.
 - b. Restoration of previously degraded rangeland through adoption of sustainable stocking rates, rotational grazing and seasonal use grazing practices initiated on or after January 1, 1999.
For questions about guidelines for qualified stocking rates and livestock distribution criteria, consult the NRCS Field Office Technical Guide for the county or counties involved in the project.
5. Project lands must be classified as degraded or non-degraded prior to the establishment of the grazing management program using indicators of degraded rangeland published by NRCS. Provide documentation of the methods and evidence (i.e. photographs, range surveys, ranch records, expert appraisal) used to establish the pre-project rangeland condition. (See special provisions and rules for measuring and dealing with drought and adjusting CCX credits on projects claiming previously degraded status.)
6. Please attach: 1. Complete summary of USDA-approved grazing plan; 2. Location maps showing all project lands; and, 3. A summary of the monitoring system used (ranch records, tally book, etc.)

Rangeland Rates by Region (See CCX map and/or list of eligible counties to establish appropriate region). CCX may add other regions, eligible counties, and rates in the future.

Region	Primary States with portions involved	Previously Degraded	Improved Management
B – Northwestern Wheat and Range	Eastern Oregon and Washington, Southern Idaho	0.20	0.12
C – California Subtropical	California (portion)	0.16	0.16
E – Rocky Mountain Range and Forest	Idaho, Montana, Colorado,	0.28	0.12
F – Northern Great Plains Spring Wheat	NE Montana, N. Dakota, S. Dakota	0.24	0.12
G – Western Great Plains Range and Irrigated	Montana, Wyoming, Colorado, S. Dakota, Nebraska	0.40	0.27
H – Central Great Plains Winter Wheat and Range	Kansas, Nebraska, Oklahoma, Texas	0.52	0.20

Sample Calculation for ranch in Rocky Mountain Range and Forest region (Improved Management)
(Fill in for all qualifying years)

Year	2003	2004	2005	2006	2007	2008	2009	2010
Soil Carbon Increase (tCO ₂ e/ac) from CCX Table				0.12				
Total Acres in project				5000				
Total tons CO ₂ e				600				
20% Reserve Pool				120				
Net tons CO ₂ e for CCX				480				

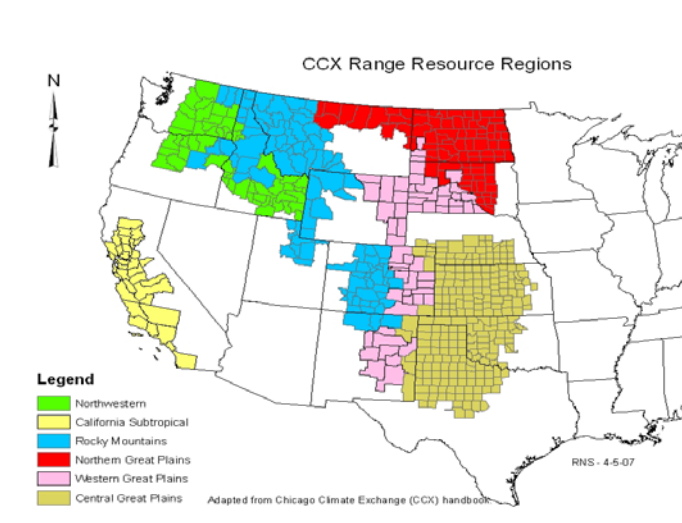


Figure 1. CCX Rangeland Regions, April 7, 2007.

CCX Provisions related to drought (reproduced with permission).

1. Rangeland enrolled must have drought management as part of their overall formal grazing plan, preferably with defined management responses (e.g. utilization rates of < 50%) to drought triggers described by the drought classification index (See below).
2. Project land that was classified as -1 to -3 or lower on the SPI color-coded scale (see maps below) for at least three consecutive years beginning January 1, 1999 through December 31, 2002 may be enrolled as degraded rangeland (See maps below).
3. During the CCX program, projects will continue to accrue credits at the specified rate according to the Land Resource Regions described above during years of drought (-1 to -3 or lower on the SPI color-coded drought scale). At the end of CCX Phase II (2012), projects that are classified as being at drought levels of -1 or -3 or lower in any two or more consecutive years of the CCX program will have credits for those years deducted from the carbon reserve pool (20% per year in drought). Drought status will be determined by county and 12 month SPI from November-October via the following on-line tool: <http://drought.unl.edu/monitor/spi-dailygridded.html>

If a project has credits deducted from the carbon reserve pool due to drought, and has ADDITIONAL non-compliance, the appropriate amount of CFI's will be deducted from the pool's 2012 offsets in order to again establish the full 20% reserve.

4. Enrolled Project land under the non-degraded, improved management credit rates will not change status once enrolled in CCX, regardless of drought conditions.

Historical Drought Maps

The following maps are available at www.ncoc.us and can be used to establish whether or not there were three years of consecutive drought beginning in the years 1999 through 2002 in the project area.