§ 3140.2 Applications.

§ 3140.2–1 Forms.

No special form is required for a conversion application.

§ 3140.2–2 Who may apply.

Only owners of oil and gas leases issued within Special Tar Sands Areas, on or before November 16, 1981, and owners of valid claims based on mineral locations within Special Tar Sands Areas, are eligible to convert leases or claims to combined hydrocarbon leases in Special Tar Sands Areas.

§ 3140.2–3 Application requirements.

(a) The applicant shall submit to the State Director, Utah State Office of the Bureau of Land Management, a written request for a combined hydrocarbon lease signed by the owner of the lease or valid claim which shall be accompanied by 3 copies of a plan of operations which shall meet the requirements of 43 CFR 3592.1 and which shall provide for reasonable protection of the environment and diligent development of the resources requiring enhanced recovery methods of development or mining.

(b) A plan of operations may be modified or amended before or after conversion of a lease or valid claim to reflect changes in technology, slippages in schedule beyond the control of the lessee, new information about the resource or the economic or environmental aspects of its development, changes to or initiation of applicable unit agreements or for other purposes. To obtain approval of the modification or amendment, the applicant shall submit a written statement of the proposed changes or supplements and the justification for the changes proposed. Any modifications shall be in accordance with 43 CFR 3592.1(c). The approval of the modification or amendment is the responsibility of the authorized officer. Changes or modification to the plan of operations shall have no effect on the primary term of the lease. The authorized officer shall, prior to approving any amendment or modification, review the modification or amendment with the appropriate surface management agency. For leases within units of the National Park System, no amendment or modification shall be approved without the consent of the Regional Director of the National Park Service in accordance with §3140.7 of this title.

(c) The plan of operations may be for a single existing oil and gas lease or valid claim or for an area of proposed unit operation.

(d) The plan of operations shall identify by lease number all Federal oil and gas leases proposed for conversion and identify valid claims proposed for conversion by the recordation number of the mining claim.

(e) The plan of operations shall include any proposed designation of operator or proposed operating agreement.

(f) The plan of operations may include an exploration phase, if necessary, but it shall include a development phase. Such a plan can be approved even though it may indicate work under the exploration phase is necessary to perfect the proposed plan for the development phase as long as the overall plan demonstrates reasonable protection of the environment and diligent development of the resources requiring enhanced recovery methods of mining.

(g)(1) Upon determination that the plan of operations is complete, the authorized officer shall suspend the term of the Federal oil and gas lease(s) as of the date that the complete plan was filed until the plan is finally approved or rejected. Only the term of the oil and gas lease shall be suspended, not any operation and production requirements thereunder.

(2) If the authorized officer determines that the plan of operations is not complete, the applicant shall be notified that the plan is subject to rejection if not completed within the period specified in the notice.
(3) The authorized officer may request additional data after the plan of operations has been determined to be complete. This request for additional information shall have no effect on the suspension of the running of the oil and gas lease.


§ 3140.3 Time limitations.

§ 3140.3–1 Conversion applications.
A plan of operations to convert an existing oil and gas lease or valid claim based on a mineral location to a combined hydrocarbon lease shall be filed on or before November 15, 1983, or prior to the expiration of the oil and gas lease, whichever is earlier, except as provided in § 3140.1–2 of this title.


§ 3140.3–2 Action on an application.
The authorized officer shall take action on an application for conversion within 15 months of receipt of a proposed plan of operations.


§ 3140.4 Conversion.

§ 3140.4–1 Approval of plan of operations (and unit and operating agreements).
(a) The owner of an oil and gas lease, or the owner of a valid claim based on a mineral location shall have such lease or claim converted to a combined hydrocarbon lease when the plan of operations, filed under § 3140.2 of this title, is deemed acceptable and is approved by the authorized officer.

(b) The conversion of a lease within a unit of the National Park System shall be approved only with the consent of the Regional Director of the National Park Service in accordance with § 3140.7 of this title.

(c) A plan of operations may not be approved in part but may be approved where it contains an appropriately staged plan of exploration and development operations.


§ 3140.4–2 Issuance of the combined hydrocarbon lease.
(a) After a plan of operations is found acceptable, and is approved, the authorized officer shall prepare and submit to the owner, for execution, a combined hydrocarbon lease containing all appropriate terms and conditions, including any necessary stipulations that were part of the oil and gas lease being converted, as well as any additional stipulations, such as those required to ensure compliance with the plan of operations.

(b) The authorized officer shall not sign the combined hydrocarbon lease until it has been executed by the conversion applicant and the lease or claim to be converted has been formally relinquished to the United States.

(c) The effective date of the combined hydrocarbon lease shall be the first day of the month following the date that the authorized officer signs the lease.

(d)(1) Except to the extent that any such lease would exceed 5,210 acres, the authorized officer may issue, upon the request of the applicant, 1 combined hydrocarbon lease to cover contiguous oil and gas leases or valid claims based on mineral locations which have been approved for conversion.

(2) To the extent necessary to promote the development of the resource, the authorized officer may issue, upon the request of the applicant, 1 combined hydrocarbon lease that does not exceed 5,760 acres, which shall be as nearly compact as possible, to cover non-contiguous oil and gas leases or valid claims which have been approved for conversion.


§ 3140.5 Duration of the lease.
A combined hydrocarbon lease shall be for a primary term of 10 years and for so long thereafter as oil or gas is produced in paying quantities.

§ 3140.6 Use of additional lands.
(a) The authorized officer may non-competitively lease additional lands for ancillary facilities in a Special Tar Sand Area that are needed to support