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TABLE 1 TO PARAGRAPH (a)—PROCESSING AND FILING FEE TABLE—Continued

Document/action
Competitive lease application
Leasing and compensatory royalty agreements under right-of-way pursuant to subpart 3109.
Lease consolidation
Assignment and transfer of record title or operating rights
Overriding royalty transfer, payment out of production
Name change; corporate merger; sheriff's deed; dissolution of corporation, partnership, or trust; or transfer to heir/devisee
Lease reinstatement, Class I
Geophysical exploration permit application—all states
Renewal of exploration permit—Alaska
Final application for Federal unit agreement approval, Federal unit agreement expansion, and Federal subsurface gas storage application
Designation of successor operator for all Federal agreements, except for contracted unit agreements that contain no Federal lands.
Geothermal (part 3200):
Noncompetitive lease application
Competitive lease application
Assignment and transfer of record title or operating rights
Name change, corporate merger or transfer to heir/devisee
Lease consolidation
Lease reinstatement
Nomination of lands
plus per acre nomination fee
Site license application
Assignment or transfer of site license
Coal (parts 3400, 3470):
License to mine application
Exploration license application
Lease or lease interest transfer
Leasing of Solid Minerals Other Than Coal and Oil Shale (parts 3500, 3580):
Applications other than those listed below
Prospecting permit application amendment
Extension of prospecting permit
Lease modification or fringe acreage lease
Lease renewal
Assignment, sublease, or transfer of operating rights
Transfer of overriding royalty
Use permit
Shasta and Trinity hardrock mineral lease
Renewal of existing sand and gravel lease in Nevada
Public Law 359; Mining in Powersite Withdrawals: General (part 3730):
Notice of protest of placer mining operations
Mining Law Administration (parts 3800, 3810, 3830, 3860, 3870):
Application to open lands to location
Notice of location *
Amendment of location
Transfer of mining claim/site
Recording an annual FLPMA filing
Deferment of assessment work
Recording a notice of intent to locate mining claims on Stockraising Homestead Act lands
Mineral patent adjudication
Adverse claim
Protest
Oil Shale Management (parts 3900, 3910, 3930):
Exploration license application
Application for assignment or sublease of record title or overriding royalty
Onshore Oil and Gas Operations and Production (parts 3160, 3170):
Application for Permit to Drill

*To record a mining claim or site location, this processing fee along with the initial maintenance fee and the one-time location fee required by statute 43 CFR part 3833 must be paid.

(b) The amount of a fixed fee is not subject to appeal to the Interior Board of Land Appeals pursuant to 43 CFR part 4, subpart E.

PART 3100—OIL AND GAS LEASING

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AUTHORITY: 25 U.S.C. 396d and 2107; 30 U.S.C. 189, 306, 359, and 1751; 43 U.S.C. 1701 *et seq.;* and 42 U.S.C. 15801.

SOURCE: 89 FR 30966, Apr. 23, 2024, unless otherwise noted.

Subpart 3100—Onshore Oil and Gas Leasing: General

§ 3100.3 Authority.

(a)(1) *Public domain.* Oil and gas in public domain lands and lands returned to the public domain under 43 CFR part 2370 are subject to lease under the Mineral Leasing Act of 1920, as amended and supplemented (30 *U.S.C. 181 et seq.*), by acts, including, but not limited to, section 1009 of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3148).

(2) *Exceptions.* The following lands are not subject to lease.

(i) Units of the National Park System, including lands withdrawn by section 206 of the Alaska National Interest Lands Conservation Act, except as provided in paragraph (g)(4) of this section;

(ii) Indian reservations;

(iii) Incorporated cities, towns and villages;

(iv) Naval petroleum and oil shale reserves;

(v) Lands north of 68 degrees north latitude and east of the western boundary of the National Petroleum Reserve—Alaska;

(vi) Lands recommended for wilderness allocation by the surface managing agency;

(vii) Lands within the BLM's wilderness study areas;

(viii) Lands designated by Congress as wilderness study areas, except where

oil and gas leasing is specifically allowed to continue by the statute designating the study area;

(ix) Lands within areas allocated for wilderness or further planning in Executive Communication 1504, Ninety-Sixth Congress (House Document numbered 96–119), unless such lands are allocated to uses other than wilderness by a land and resource management plan or have been released to uses other than wilderness by an Act of Congress;

(x) Lands within the National Wilderness Preservation System, subject to valid existing rights under section 4(d)(3) of the Wilderness Act (16 U.S.C. 1133) established before midnight, December 31, 1983, unless otherwise provided by law;

(xi) Subject to valid existing rights, lands within the National Wild and Scenic Rivers System and that constitute the bed or bank or are situated within one-quarter mile of the bank of any river designated as a wild river under the Wild and Scenic Rivers Act (16 U.S.C. 1280), lands within the National Wild and Scenic Rivers System that constitute the bed or bank or are situated within one-quarter mile of the bank of certain rivers designated as scenic or recreational, and in some cases, designating legislation may apply a different boundary extent. Lands within the National Wild and Scenic Rivers System that constitute the bed or bank or are situated within one-half mile of the bank of any river designated a wild river by the Alaska National Interest Lands Conservation Act (16 U.S.C. 3148); and

(xii) Wildlife refuge lands, which are those lands embraced in a withdrawal of lands of the United States for the protection of all species of wildlife within a particular area. Sole and complete jurisdiction over such lands for wildlife conservation purposes is vested in the Fish and Wildlife Service even though such lands may be subject to prior rights for other public purposes or, by the terms of the withdrawal order, may be subject to mineral leasing. No expressions of interest covering wildlife refuge lands will be considered for oil and gas leasing, except as provided by applicable law.

(b)(1) *Acquired lands.* Oil and gas in acquired lands are subject to lease under the Mineral Leasing Act for Acquired Lands of August 7, 1947, as amended (30 U.S.C. 351 *et seq.*).

(2) *Exceptions.* The following lands are not subject to lease.

(i) Units of the National Park System, except as provided in paragraph (g)(4) of this section;

(ii) Incorporated cities, towns and villages;

(iii) Naval petroleum and oil shale reserves;

(iv) Tidelands or submerged coastal lands within the continental shelf adjacent or littoral to lands within the jurisdiction of the United States;

(v) Lands acquired by the United States for development of helium, fissionable material deposits or other minerals essential to the defense of the country, except oil, gas and other minerals subject to leasing under the Act;

(vi) Lands reported as excess under the Federal Property and Administrative Services Act of 1949;

(vii) Lands acquired by the United States by foreclosure or otherwise for resale;

(viii) Lands recommended for wilderness allocation by the surface managing agency;

(ix) Lands within the BLM's wilderness study areas;

(x) Lands designated by Congress as wilderness study areas, except where oil and gas leasing is specifically allowed to continue by the statute designating the study area;

(xi) Lands within areas allocated for wilderness or further planning in Executive Communication 1504, Ninety-Sixth Congress (House Document numbered 96–119), unless such lands are allocated to uses other than wilderness by a land and resource management plan or have been released to uses other than wilderness by an Act of Congress;

(xii) Lands within the National Wilderness Preservation System, subject to valid existing rights under section 4(d)(3) of the Wilderness Act (16 U.S.C. 1133) established before midnight, December 31, 1983, unless otherwise provided by law;

(xiii) Subject to valid existing rights, lands within the National Wild and

Scenic Rivers System and that constitute the bed or bank or are situated within one-quarter mile of the bank of any river designated as a wild river under the Wild and Scenic Rivers Act (16 U.S.C. 1280), lands within the National Wild and Scenic Rivers System that constitute the bed or bank or are situated within one-quarter mile of the bank of certain rivers designated as scenic or recreational, and in some cases, designating legislation may apply a different boundary extent. Lands within the National Wild and Scenic Rivers System that constitute the bed or bank or are situated within one-half mile of the bank of any river designated a wild river by the Alaska National Interest Lands Conservation Act (16 U.S.C. 3148); and

(xiv) Wildlife refuge lands, which are those lands embraced in a withdrawal of lands of the United States for the protection of all species of wildlife within a particular area. Sole and complete jurisdiction over such lands for wildlife conservation purposes is vested in the Fish and Wildlife Service even though such lands may be subject to prior rights for other public purposes or, by the terms of the withdrawal order, may be subject to mineral leasing. No expressions of interest for wildlife refuge lands will be considered except as provided in applicable law.

(c) National Petroleum Reserve—Alaska is subject to lease under the Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 6508).

(d) Where oil or gas is being drained from lands otherwise unavailable for leasing, there is implied authority in the agency having jurisdiction of those lands to grant authority to the BLM to lease such lands (see *43 U.S.C. 1457;* also Attorney General's Opinion of April 2, 1941 (Vol. 40 Op. Atty. Gen. 41)).

(e) Where lands previously withdrawn or reserved from the public domain are no longer needed by the agency for which the lands were withdrawn or reserved and such lands are retained by the General Services Administration, or where acquired lands are declared as excess to or surplus by the General Services Administration, authority to lease such lands may be transferred to the Department in accordance with the Federal Property and Administrative Services Act of 1949 and the Mineral Leasing Act for Acquired Lands, as amended.

(f) The Act of May 21, 1930 (*30 U.S.C. 301–306*), authorizes the leasing of oil and gas deposits under certain rights-of-way to the owner of the right-of-way or any assignee.

(g)(1) *Certain lands in Nevada.* The Act of May 9, 1942 (56 Stat. 273), as amended by the Act of October 25, 1949 (63 Stat. 886), authorizes leasing on certain lands in Nevada.

(2) *Lands patented to the State of California.* The Act of March 3, 1933 (47 Stat. 1487), as amended by the Act of June 5, 1936 (49 Stat. 1482) and the Act of June 29, 1936 (49 Stat. 2026), authorizes leasing on certain lands patented to the State of California.

(3) *National Forest Service Lands in Minnesota.* The Act of June 30, 1950 (16 U.S.C. 508(b)) authorizes leasing on certain National Forest Service Lands in Minnesota.

(4) *Units of the National Park System.* The Secretary is authorized to permit mineral leasing in the following units of the National Park System if the Secretary finds that such disposition would not have significant adverse effects on the administration of the area and if lease operations can be conducted in a manner that will preserve the scenic, scientific and historic features contributing to public enjoyment of the area, pursuant to the following authorities:

(i) *Lake Mead National Recreation Area*—The Act of October 8, 1964 (16 U.S.C. 460n *et seq.*).

(ii) *Whiskeytown Unit of the Whiskeytown-Shasta-Trinity National Recreation Area*—The Act of November 8, 1965 (79 Stat. 1295; 16 U.S.C. 460q *et seq.*).

(iii) *Ross Lake and Lake Chelan National Recreation Areas*—The Act of October 2, 1968 (82 Stat. 926; 16 U.S.C. 90 *et seq.*).

(iv) *Glen Canyon National Recreation Area*—The Act of October 27, 1972 (86 Stat. 1311; 16 U.S.C. 460dd *et seq.*).

(5) *Shasta and Trinity Units of the Whiskeytown-Shasta-Trinity National Recreation Area.* Section 6 of the Act of November 8, 1965 (Pub. L. 89–336; 79 Stat. 1295), authorizes the Secretary of

the Interior to permit the removal of leasable minerals from lands (or interest in lands) within the recreation area under the jurisdiction of the Secretary of Agriculture in accordance with the Mineral Leasing Act of February 25, 1920, as amended (30 U.S.C. 181 *et seq.*), or the Acquired Lands Mineral Leasing Act of August 7, 1947 (30 U.S.C. 351 *et seq.*), if the Secretary finds that such disposition would not have significant adverse effects on the purpose of the Central Valley project or the administration of the recreation area.

(h) Under the Recreation and Public Purposes Act, as amended (43 U.S.C. 869 *et seq.*), all lands within Recreation and Public Purposes leases and patents are subject to lease under the provisions of this part, subject to such conditions as the Secretary deems appropriate.

(i)(1) Coordination lands are those lands withdrawn or acquired by the United States and made available to the States by cooperative agreements entered into between the Fish and Wildlife Service and the game commissions of the various States, in accordance with the Fish and Wildlife Coordination Act (16 U.S.C. 661), or by long-term leases or agreements between the Department of Agriculture and the game commissions of the various States pursuant to the Bankhead-Jones Farm Tenant Act (50 Stat. 525), as amended, where such lands were subsequently transferred to the Department of the Interior, with the Fish and Wildlife Service as the custodial agency of the United States.

(2) Representatives of the BLM and the Fish and Wildlife Service will, in cooperation with the authorized members of the various State game commissions, confer for the purpose of determining by agreement those coordination lands which will not be subject to oil and gas leasing. Coordination lands not closed to oil and gas leasing may be subject to leasing on the imposition of such stipulations as are agreed upon by the State Game Commission, the Fish and Wildlife Service and the BLM.

(j) No lands within a refuge in Alaska open to leasing will be available until the Fish and Wildlife Service has first completed compatibility determinations.

§ 3100.5 Definitions.

As used in this part, the term:

Actual drilling operations includes not only the physical drilling of a well, but also the testing, completing or equipping of such well for production.

Assignment means a transfer of all or a portion of the lessee's record title interest in a lease.

Available means those lands that have been designated as open for leasing under a land use plan developed under section 202 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1712) and that have been nominated for leasing through the submission of an expression of interest, are subject to drainage in the absence of leasing, or are otherwise designated as available pursuant to regulations adopted by the Secretary.

Bid means an amount of remittance offered as partial compensation for a lease equal to or in excess of the national minimum acceptable bonus bid set by statute or by the Secretary, submitted by a person for a lease parcel in a competitive lease sale. For leases or compensatory royalty agreements issued under 43 CFR subpart 3109, ''bid'' means an amount or percent of royalty or compensatory royalty that the owner or lessee must pay for the extraction of the oil and gas underlying the right-of-way.

Competitive auction means an in-person or internet-based bidding process where leases are offered to the highest bidder.

Eligible means all lands that are subject to leasing under the Mineral Leasing Act of 1920 and are not excluded from leasing by a statutory prohibition.

Exception means (as used for lease stipulations) a limited exemption, for a particular site within the leasehold, to a stipulation.

Lessee means a person holding record title in a lease issued by the United States.

Modification means (as used for lease stipulations) a change to the provisions of a lease stipulation for some or all sites within the leasehold and either temporarily or for the term of the lease.

National Wildlife Refuge System Lands means lands and water, or interests

therein, administered by the Secretary as wildlife refuges, areas for the protection and conservation of fish and wildlife that are threatened with extinction; wildlife management areas; or waterfowl production areas.

Oil and gas agreement means an agreement between lessees and the BLM to govern the development and allocation of production for existing leases and unleased lands, including, but not limited to, communitization agreements, compensatory royalty agreements, unit agreements, secondary recovery agreements, and gas storage agreements.

Operating right (working interest) means the interest created out of a lease authorizing the holder of that right to enter upon the leased lands to conduct drilling and related operations, including production of oil or gas from such lands in accordance with the terms of the lease. Operating rights include the obligation to comply with the terms of the original lease, as it applies to the area or horizons for the interest acquired, including the responsibility to plug and abandon all wells that are no longer capable of producing, reclaim the lease site, and remedy environmental problems.

Operating rights owner means a person holding operating rights in a lease issued by the United States. A lessee also may be an operating rights owner if the operating rights in a lease or portion thereof have not been severed from record title.

Operator means any person, including, but not limited to, the lessee or operating rights owner, who has stated in writing to the authorized officer that it is responsible under the terms and conditions of the lease for the operations conducted on the leased lands or a portion thereof.

Primary term of lease subject to section 4(d) of the Act prior to the revision of 1960 (30 U.S.C. 226–1(d)) means all periods of the life of the lease prior to its extension by reason of production of oil and gas in paying quantities; and

Primary term of all other leases means the initial term of the lease, which is 10 years.

Qualified bidder means any person in compliance with the laws and regulations governing a bid.

Qualified lessee means any person in compliance with the laws and regulations governing the BLM issued leases held by that person.

Record title means a lessee's interest in a lease, which includes the obligation to pay rent and the ability to assign and relinquish the lease. Record title includes the obligation to comply with the lease terms, including requirements relating to well operations and abandonment. Overriding royalty and operating rights are severable from record title interests.

Responsible bidder means any person who has not defaulted on the payment of winning bids for BLM-issued oil and gas leases, is capable of fulfilling the requirements of onshore BLM oil and gas leases, and is in compliance with statutes and regulations applicable to oil and gas development or with the terms of a BLM-issued oil and gas lease. The term ''responsible bidder'' does not include persons who bid with no intention of paying a winning bid or persons who default on a winning bid.

Responsible lessee means any person who has not defaulted on previous winning bids, is capable of fulfilling the requirements of onshore Federal oil and gas leases, and is in compliance with statutes applicable to oil and gas development or the terms of a BLM-issued oil and gas lease.

Sublease means a transfer of a nonrecord title interest in a lease, *i.e.*, a transfer of operating rights is normally a sublease, and a sublease also is a subsidiary arrangement between the lessee (sublessor) and the sublessee, but a sublease does not include a transfer of a purely financial interest, such as overriding royalty interest or payment out of production, nor does it affect the relationship imposed by a lease between the lessee(s) and the United States.

Transfer means any conveyance of an interest in a lease by assignment, sublease or otherwise. This definition includes the terms: *Assignment* and *Sublease*.

Unit operator means the person authorized under the unit agreement approved by the Department of the Interior to conduct operations within the unit.

Waiver means (as used for lease stipulations) a permanent exemption from a lease stipulation.

[89 FR 30966, Apr. 23, 2024, as amended at 90 FR 36118, Aug. 1, 2025]

§ 3100.9 Information collection.

(a) *Authority:* 44 U.S.C. 3501–3520

(b)(1) *Purpose.* The Paperwork Reduction Act of 1995 generally provides that an agency may not conduct or sponsor, and notwithstanding any other provision of law, a person is not required to respond to a collection of information, unless the collection displays a currently valid Office of Management and Budget (OMB) Control Number. This part displays OMB control numbers assigned to information collection requirements contained in the BLM's regulations at 43 CFR part 3100. This section aids in fulfilling the requirements of the Paperwork Reduction Act to display current OMB Control Numbers for these information collection requirements. Interested persons should consult *https://www.reginfo.gov* for the most current information on these OMB control numbers; including among other things, the justification for the information collection requirements, description of likely respondents, estimated burdens, and current expiration dates.

(2) *Table 1 to Paragraph (b)—OMB control number assigned pursuant to the Paperwork Reduction Act.*

43 CFR part or section	OMB control No.
§§ 3100, 3103.41, 3120, and Subpart 3162 ..	1004–0185
§§ 3106, 3135, and 3216	1004–0034
Part 3130	1004–0196
Subpart 3195	1004–0179
§ 3150	1004–0162
§§ 3160,* 3171, 3176, and 3177	1004–0220
§§ 3172, 3173, 3174, 3175	1004–0137
§§ 3162.3–1, 3178.5, 3178.7, 3178.8, 3178.9 and Subpart 3179*	1004–0211

*Information collection requirements for onshore oil and gas operations are generally accounted for under OMB Control Number 1004–0220; however, information collection requirements pertaining to particular to waste prevention, production subject to royalties, and resource conservation are accounted for under OMB Control Number 1004–0211.

§ 3100.10 Helium.

The ownership of and the right to extract helium from all gas produced from lands leased or otherwise disposed of under the Act have been reserved to the United States.

DRAINAGE

§ 3100.21 Compensation for drainage.

Upon a determination by the authorized officer that lands owned by the United States are being drained of oil or gas by wells drilled on adjacent lands, the authorized officer may execute agreements with the owners of adjacent lands whereby the United States and its lessees will be compensated for such drainage. Such agreements must be made with the consent of any lessee affected by an agreement. Such lands may also be offered for lease in accordance with 43 CFR part 3120.

§ 3100.22 Drilling and production or payment of compensatory royalty.

Where lands in any leases are being drained of their oil or gas content by wells either on a Federal lease issued at a lower rate of royalty or on non-Federal lands, the lessee must both drill and produce all wells necessary to protect the leased lands from drainage. In lieu of drilling necessary wells, the lessee may, with the consent of the authorized officer, pay compensatory royalty in accordance with 43 CFR 3162.2–4.

OPTIONS

§ 3100.31 Enforceability.

(a) No option to acquire any interest in a lease is enforceable if entered into for a period of more than 3 years (including any renewal period that may be provided for in the option).

(b) No option or renewal thereof is enforceable until a signed copy or notice of the option has been filed in the proper BLM office. Each such signed copy or notice must include:

(1) The names and addresses of the parties thereto;

(2) The serial number of the lease to which the option is applicable;

(3) A statement of the number of acres and the type and percentage of interests to be conveyed and retained by the parties to the option, including the date and expiration date of the option.

(c) The signatures of all parties to the option or their duly authorized agents. The signed copy or notice of the option required by this paragraph

must contain or be accompanied by a signed statement by the holder of the option that entity is the sole party in interest in the option; if not, the entity must set forth the names and provide a description of the interest therein of the other interested parties, and provide a description of the agreement between them, if oral, and a copy of such agreement, if written.

§ 3100.32 Effect of option on acreage.

The acreage to which the option is applicable will be charged both to the grantor of the option and the option holder. The acreage covered by an unexercised option remains charged during its term until notice of its relinquishment or surrender has been filed in the proper BLM office.

§ 3100.33 Option statements.

Each option holder must file in the proper BLM office within 90 days after June 30 and December 31 of each year a statement showing:

(a) Any changes to the statements submitted under § 3100.31(b); and

(b) The number of acres covered by each option and the total acreage of all options held in each State.

§ 3100.40 Public availability of information.

(a) All data and information concerning Federal and Indian minerals submitted under this part 3100 and parts 3120 through 3190 of this chapter are subject to 43 CFR part 2, except as provided in paragraph (c) of this section. 43 CFR part 2 includes the regulations of the Department of the Interior covering the public disclosure of data and information contained in Department of the Interior records. Certain mineral information not protected from public disclosure under 43 CFR part 2 may be made available for inspection without a Freedom of Information Act (FOIA) (5 U.S.C. 552) request.

(b) When you submit data and information under this part 3100 and parts 3120 through 3190 of this chapter that you believe to be exempt from disclosure to the public, you must clearly mark each page that you believe includes confidential information. The BLM will keep all such data and information confidential to the extent allowed by 43 CFR 2.26.

(c) Under the Indian Mineral Development Act of 1982 (IMDA) (25 U.S.C. 2101 *et seq.*), the Department of the Interior will hold as privileged proprietary information of the affected Indian or Indian Tribe—

(1) All findings forming the basis of the Secretary's intent to approve or disapprove any Minerals Agreement under IMDA; and

(2) All projections, studies, data, or other information concerning a Minerals Agreement under IMDA, regardless of the date received, related to:

(i) The terms, conditions, or financial return to the Indian parties;

(ii) The extent, nature, value, or disposition of the Indian mineral resources; or

(iii) The production, products, or proceeds thereof.

(d) For information concerning Indian minerals not covered by paragraph (c) of this section:

(1) The BLM will withhold such records as may be withheld under an exemption to FOIA when it receives a request for information related to tribal or Indian minerals held in trust or subject to restrictions on alienation;

(2) The BLM will notify the Indian mineral owner(s) identified in the records of the Bureau of Indian Affairs (BIA) and give them a reasonable period of time to state objections to disclosure, using the standards and procedures of 43 CFR 2.28, before making a decision about the applicability of FOIA exemption 4 to:

(i) Information obtained from a person outside the United States Government; when

(ii) Following consultation with a submitter under 43 CFR 2.28, the BLM determines that the submitter does not have an interest in withholding the records that can be protected under FOIA; but

(iii) The BLM has reason to believe that disclosure of the information may result in commercial or financial injury to the Indian mineral owner(s) but is uncertain that such is the case.

Subpart 3101—Issuance of Leases

LEASE TERMS AND CONDITIONS

§ 3101.11 Lease form.

A lease will be issued only on the standard form approved by the Director.

§ 3101.12 Surface use rights.

A lessee will have the right to use only so much of the leased lands as is necessary to explore for, drill for, mine, extract, remove and dispose of all the leased resource in a leasehold subject to applicable requirements, including stipulations attached to the lease, restrictions deriving from nondiscretionary statutes, and such reasonable measures as may be required and detailed by the authorized officer to mitigate adverse impacts to other resource values, land uses or users, federally recognized Tribes, and underserved communities. Such reasonable measures may include, but are not limited to, relocation or modification to siting or design of facilities, timing of operations, specification of interim and final reclamation measures, and specification of rates of development and production in the public interest. At a minimum, modifications that are consistent with lease rights include, but are not limited to, requiring relocation of proposed operations by up to 800 meters and prohibiting new surface disturbing operations for a period of up to 90 days in any lease year.

§ 3101.13 Stipulations and information notices.

(a) Leases issued by the BLM will include only those stipulations and mitigation measures included in the resource management plan covering that parcel of land that is being leased.

(b) The BLM may attach an information notice to the lease. An information notice has no legal consequences, except to give notice of existing requirements, and may be attached to a lease by the authorized officer at the time of lease issuance to convey certain operational, procedural or administrative requirements relative to lease management within the terms and conditions of the standard lease form. Information notices may not be a basis for denial of lease operations.

(c) Where the surface managing agency is the Fish and Wildlife Service, leases will be issued subject to stipulations prescribed by the Fish and Wildlife Service as to the time, place, nature and condition of such operations in order to minimize impacts to fish and wildlife populations and habitat and other refuge resources on the areas leased. The specific conduct of lease activities on any refuge lands will be subject to site-specific stipulations prescribed by the Fish and Wildlife Service.

[90 FR 36116, Aug. 1, 2025]

§ 3101.14 Modification, waiver, or exception.

(a) If the authorized officer determines that a change to a lease term or stipulation is substantial or a stipulation involves an issue of major concern to the public, except for changes to stipulations governing time of year restrictions (such as those related to protected species) supported by data showing that the restrictions are unnecessary, the changes will be subject to public review for at least 30 calendar days.

(b) Prior to lease issuance, if the BLM determines that an additional stipulation will be added to the lease or a modification to an existing stipulation is required, the potential lessee must be given an opportunity to accept the additional or modified stipulation. If the potential lessee does not accept the additional or modified stipulation, the BLM may reject the bid, and may include the lands in the next Notice of Competitive Lease Sale. If the change in stipulation(s) increases the value of the parcel, the BLM will reject the bid, and will include the lands in the next Notice of Competitive Lease Sale.

(c) After lease issuance, if a lessee does not accept an additional or modified stipulation, that additional or modified stipulation is not binding on the lessee and is without effect. When a stipulation is required by the relevant Resource Management Plan, or surface management agency land management plan, and was inadvertently omitted, a lessee's failure to sign and accept

changes in the stipulations when requested by the authorized officer may subject the lease to cancellation.

(d) A stipulation included in an oil and gas lease will be subject to modification, waiver, or exception if the authorized officer determines, in conjunction with the applicable surface management agency, that the factors leading to its inclusion in the lease have changed sufficiently to make the specific protections provided by the stipulation no longer justified.

ACREAGE LIMITATIONS

§ 3101.21 Public domain lands.

(a) No person may take, hold, own or control more than 246,080 acres of Federal oil and gas leases on public domain lands in any one State at any one time. No more than 200,000 acres of such acres may be held under option.

(b) In Alaska, the acreage that can be taken, held, owned or controlled is limited to 300,000 acres in the northern leasing district and 300,000 acres in the southern leasing district, of which no more than 200,000 acres may be held under option in each of the two leasing districts. The boundary between the two leasing districts in Alaska begins at the northeast corner of the Tetlin National Wildlife Refuge as established by section 302(8) of the Alaska National Interest Lands Conservation Act, at a point on the boundary between the United States and Canada, then northwesterly along the northern boundary of the refuge to the left limit of the Tanana River (63°9′38″ north latitude, 142°20′52″ west longitude), then westerly along the left limit to the confluence of the Tanana and Yukon Rivers, and then along the left limit of the Yukon River from said confluence to its principal southern mouth.

§ 3101.22 Acquired lands.

Separate from, and in addition to, the limitation for public domain lands, no person may take, hold, own or control more than 246,080 acres of Federal oil and gas leases on acquired lands in any one State at any one time. No more than 200,000 acres of such acres may be held under option. Where the United States owns only a fractional interest in the mineral resources of the lands involved in a lease, only that part owned by the United States will be charged as acreage holdings. The acreage embraced in a future interest lease will not be charged as acreage holdings until the lease for the future interest becomes effective.

§ 3101.23 Excepted acreage.

(a) The following acreage will not be included in computing acreage limitations:

(1) Acreage under any lease any portion of which is committed to any federally approved oil and gas agreement;

(2) Acreage under any lease for which royalty (including compensatory royalty or royalty in-kind) was paid in the preceding calendar year; and

(3) Acreage under leases subject to an operating, drilling or development contract approved by the Secretary, as provided in 43 CFR 3105.30.

(b) Acreage subject to offers to lease, overriding royalties and payments out of production will not be included in computing acreage limitations.

§ 3101.24 Excess acreage.

(a) Where, as the result of the termination or contraction of an oil and gas agreement or the elimination of a lease from an operating, drilling, or development contract, a party holds or controls excess accountable acreage, that party will have 90 calendar days from the date of termination, contraction or elimination, to reduce the holdings to the prescribed limitation and to file proof of the reduction in the proper BLM office. Where, as a result of a merger or the purchase of the controlling interest in a corporation, a party acquired acreage in excess of the amount permitted, the party holding the excess acreage will have 180 calendar days from the date of the merger or purchase to divest the excess acreage. If additional time is required to complete the divestiture of the excess acreage, a petition requesting additional time, along with a full justification for the additional time, may be filed with the authorized officer prior to the termination of the 180 days provided herein.

(b) If any person is found to hold accountable acreage in violation of the provisions of these regulations, lease(s)

or interests therein will be subject to cancellation or forfeiture in their entirety, until sufficient acreage has been eliminated to comply with the acreage limitation. Excess acreage or interest will be cancelled in the inverse order of acquisition.

§ 3101.25 Computation.

The accountable acreage of a party owning an undivided interest in a lease will be the party's proportionate part of the total lease acreage.

§ 3101.30 Leases within unit areas, joinder evidence required.

Before issuance of a lease for lands within an approved unit, the lease offeror must file evidence with the proper BLM office that it has joined in the unit agreement and unit operating agreement or a statement giving satisfactory reasons for its failure to enter into such agreement. If such statement is satisfactory to the authorized officer, the lessee may be permitted to operate independently but will be required to conform to the terms and provisions of the unit agreement with respect to such operations.

§ 3101.40 Terminated leases.

(a) The authorized officer will not issue a lease for lands which have been covered by a lease which terminated automatically until 90 calendar days after the date of termination.

(b) The authorized officer will not, after the receipt of a petition for reinstatement, issue a new lease affecting any of the lands covered by the terminated lease until all action on the petition is final.

Federal Lands Administered by an Agency Other Than the Bureau of Land Management

§ 3101.51 General requirements.

Public domain and acquired lands will be leased only after seeking concurrence from the surface managing agency, which, upon receipt of a description of the lands from the authorized officer, may report to the authorized officer that it consents to leasing with stipulations, if any, or withholds consent or objects to leasing.

§ 3101.52 Action by the Bureau of Land Management.

(a) Where the surface managing agency has consented to leasing with required stipulations, and the Secretary decides to issue a lease, the authorized officer will incorporate the stipulations into any lease which it may issue. The authorized officer may add other appropriate stipulations.

(b) The authorized officer will not issue a lease on lands to which the surface managing agency objects or withholds consent and for which consent or concurrence is required by law.

(c) The authorized officer will review all recommendations of the surface managing agency and will accept all reasonable recommendations.

(d) Where the surface managing agency is the Fish and Wildlife Service, there will be no drilling or prospecting under any lease heretofore or hereafter issued on lands within a wildlife refuge, except with the consent and approval of the Secretary with the concurrence of the Fish and Wildlife Service as to the time, place and nature of such operations in order to give complete protection to wildlife populations and wildlife habitat on the areas leased, and all such operations must be conducted in accordance with BLM stipulations.

§ 3101.53 Appeals.

(a) The decision of the authorized officer to reject an offer to lease or to issue a lease with stipulations recommended by the surface managing agency may be appealed to the Interior Board of Land Appeals under 43 CFR part 4.

(b) Where, as provided by statute, the surface managing agency has required that certain stipulations be included in a lease or has consented, or objected or refused to consent to leasing, any appeal by an affected lease offeror will be subject to the administrative remedies if provided for by the particular surface managing agency.

§ 3101.60 State's or charitable organization's ownership of surface overlying federally owned minerals.

Where the United States has conveyed title to, or otherwise transferred the control of the surface of lands to

any State or political subdivision, agency, or instrumentality thereof, or a college or any other educational corporation or association, or a charitable or religious corporation or association, with reservation of the oil and gas rights to the United States, such party will be given an opportunity to suggest any lease stipulations deemed necessary for the protection of existing surface improvements or uses, to set forth the facts supporting the necessity of the stipulations and also to file any objections it may have to the issuance of a lease. Where a party controlling the surface opposes the issuance of a lease or wishes to place such restrictive stipulations upon the lease that it could not be operated upon or become part of a drilling unit and hence is without mineral value, the facts submitted in support of the opposition or request for restrictive stipulations may be given consideration and each case will be decided on its merits. The opposition to lease or necessity for restrictive stipulations expressed by the party controlling the surface affords no legal basis or authority to refuse to issue the lease or to issue the lease with the requested restrictive stipulations for the reserved minerals in the lands; in such case, the final determination whether to issue and with what stipulations, or not to issue the lease depends upon whether or not the interests of the United States would best be served by the issuance of the lease.

Subpart 3102—Qualifications of Lessees

§ 3102.10 Who may hold leases.

Leases or interests therein may be acquired and held only by citizens of the United States; associations (including partnerships and trusts) of such citizens; corporations organized under the laws of the United States or of any State or Territory thereof; and municipalities.

§ 3102.20 Non-U.S. Citizens.

(a) Leases or interests therein may be acquired and held by non-U.S. Citizens only through stock ownership, holding or control in a present or potential lessee that is incorporated under the laws of the United States or of any State or territory thereof, and only if the laws, customs or regulations of their country do not deny similar or like privileges to citizens or corporations of the United States. If it is determined that a country has denied similar or like privileges to citizens or corporations of the United States, it would be placed on a list available from any BLM State office.

(b) The Committee on Foreign Investment in the United States is authorized to review covered real estate transactions and to mitigate any risk to the national security of the United States that arises as a result of such transactions. Covered real estate transactions may include certain transactions involving the Federal mineral estate (see 31 CFR part 802).

§ 3102.30 Minors.

Leases must not be acquired or held by someone considered to be a minor under the laws of the State in which the lands are located, but leases may be acquired and held by legal guardians or trustees of minors on their behalf. Such legal guardians or trustees must be citizens of the United States or otherwise meet the provisions of 43 CFR 3102.10.

§ 3102.40 Signature.

Signatures on all applications and BLM forms certify acceptance of lease terms and stipulations, as well as compliance with the regulations under 43 CFR part 3100. Refer to § 3102.50 for certification of compliance and evidence. The BLM also accepts electronic signatures and submissions.

(a) A bid to lease must be made on a current form approved by the Director. Copies must be exact reproductions of the official approved form, without additions, omissions, or other changes. When the bid is filed in person at the proper BLM office, the bid must be typed or printed plainly, signed, and dated by the offeror or an authorized agent on behalf of the present or potential lessee. Bids may be made to the BLM by other arrangements, such as electronically signed and filed, when specifically authorized by the BLM.

(b) Documents signed by any party other than the present or potential lessee must be rendered in a manner to reveal the name of the present or potential lessee, the name of the signatory and their relationship. A signatory who is a member of the organization that constitutes the present or potential lessee (*e.g.,* officer of a corporation, partner of a partnership, etc.) may be requested by the authorized officer to clarify his/her relationship, when the relationship is not shown on the documents filed.

COMPLIANCE, CERTIFICATION OF COMPLIANCE AND EVIDENCE

§ 3102.51 Compliance.

Only responsible and qualified bidders and lessees may own, hold, or control an interest in a lease or prospective lease. Responsible and qualified bidders and lessees, including corporations, and all members of associations, including partnerships of all types, will, without exception, be qualified and in compliance with the Act. Compliance means that the persons are:

(a) Citizens of the United States (see § 3102.10) or non-U.S. citizens who own stock in a corporation organized under State or Federal law (see § 3102.20);

(b) In compliance with the Federal acreage limitations (see § 3101.20);

(c) Not minors (see § 3102.30);

(d) Except for an assignment or transfer under 43 CFR subpart 3106, in compliance with section 2(a)(2)(A) of the Act (30 U.S.C. 201(2)(A)), in which case the signature on a bid or lease constitutes evidence of compliance. A lease issued to any person in violation of this paragraph (d) will be subject to the cancellation provisions of 43 CFR 3108.30.

(e) Not in violation of the provisions of section 41 of the Act (30 U.S.C. 195); and

(f) In compliance with section 17(g) of the Act (30 U.S.C. 226(g)), in which case the signature on an offer, lease, assignment, or transfer constitutes evidence of compliance that the signatory and any subsidiary, affiliate, or person, association, or corporation controlled by or under common control with the signatory, as defined in 43 CFR 3400.0–5(rr), has not failed or refused to comply with reclamation requirements with respect to all leases and operations thereon in which such person has an interest. A person is noncompliant with section 17(g) of the Act when they fail to comply with their reclamation obligations or other standards established under 30 U.S.C. 226 in the time specified in a notice from the BLM. A lease issued, or an assignment or transfer approved, to any such person in violation of this paragraph (f) may be subject to the cancellation provisions of 43 CFR 3108.30, notwithstanding any administrative or judicial appeals that may be pending with respect to violations or penalties assessed for failure to comply with the prescribed reclamation standards on any lease holdings. Noncompliance will end upon a determination by the authorized officer that all required reclamation has been completed and that the United States has been fully reimbursed for any costs incurred due to the required reclamation.

(g) In compliance with 43 CFR 3106.10(d) and section 30A of the Act (30 U.S.C. 187(a)). The authorized officer may accept the signature on a request for approval of an assignment of less than 640 acres outside of Alaska (2,560 acres within Alaska) as acceptable certification that the assignment would further the development of oil and gas, or the authorized officer may apply the provisions of 43 CFR 3102.53.

(h) Not excluded or disqualified from participating in a transaction covered by Federal non-procurement debarment and suspension (2 CFR parts 180 and 1400), unless the Department explicitly approves an exception for a transaction pursuant to the regulations in those parts.

§ 3102.52 Certification of compliance.

Any party(s) seeking to obtain an interest in a lease must certify that it is in compliance with the Act as set forth in 43 CFR 3102.51. A corporation or publicly traded association, including a publicly traded partnership, must certify that constituent members of the corporation, association or partnership holding or controlling more than 10 percent of the instruments of ownership of the corporation, association or partnership are in compliance with the

Act. Execution and submission of a competitive bid form or request for approval of a transfer of record title or of operating rights (sublease), constitutes certification of compliance.

§ 3102.53 Evidence of compliance.

The authorized officer may request at any time further evidence of compliance and qualification from any party holding or seeking to hold an interest in a lease. Failure to comply with the request of the authorized officer will result in adjudication of the action based on the incomplete submission.

Subpart 3103—Fees, Rentals and Royalty

§ 3103.1 Fiscal terms.

(a) The table in this section shows the fiscal terms, that the BLM will adjust every 4 years by a final rule. The BLM will adjust the amounts according to the change in the Implicit Price Deflator for Gross Domestic Product since the previous adjustment. The fiscal terms displayed below are effective on June 22, 2024. Per the Inflation Reduction Act, the BLM will not adjust the rental nor the minimum bonus bids until after August 16, 2032.

TABLE 1 TO PARAGRAPH (a)—FISCAL TERMS TABLE

Oil and gas (parts 3100, 3110, 3120, 3130, 3140):	Fiscal term
Competitive oil and gas, tar sand, and combined hydrocarbon leases	Rental of $3 per acre, or fraction thereof, per year during the first 2-year period beginning upon lease issuance, $5 per acre per year, or fraction thereof, for the following 6 years, and then $15 per acre, or fraction thereof, per year thereafter.
Competitive lease reinstatement, Class II	Rental of $20 per acre, or fraction thereof.
Competitive combined hydrocarbon leases	Minimum bonus bids of $25 per acre, or fraction thereof.
Competitive oil and gas and tar sand leases	Minimum bonus bids of $10 per acre, or fraction thereof.

(b) The amounts in the fiscal terms table are not subject to appeal to the Interior Board of Land Appeals pursuant to 43 CFR part 4, subpart E.

[89 FR 30966, Apr. 23, 2024, as amended at 90 FR 36120, Aug. 1, 2025]

PAYMENTS

§ 3103.11 Form of remittance.

All remittances must be by personal check, cashier's check, certified check, or money order, and must be made payable to the Department of the Interior—Bureau of Land Management or the Department of the Interior—Office of Natural Resources Revenue, as appropriate. Payments made to the BLM may be made by other arrangements such as by electronic funds transfer or credit card when specifically authorized by the BLM. In the case of payments made to the ONRR, such payments may also be made by electronic funds transfer.

§ 3103.12 Where remittance is submitted.

(a)(1) All processing fees for the respective lease applications, nominations, or requests for approval of a transfer found in the fee schedule in § 3000.120 of this chapter and all first-year rentals and bonuses for leases issued under 43 CFR part 3100 must be paid to the proper BLM office.

(2) All second year and subsequent rentals, except for leases specified in paragraph (b) of this section, must be paid to the ONRR, refer to 30 CFR 1218.51.

(b) All rentals and royalties on producing leases, communitized leases in producing spacing units, unitized leases in producing unit areas, leases on which compensatory royalty is payable and all payments under subsurface storage agreements must be paid to the ONRR.

RENTALS

§ 3103.21 Rental requirements.

(a) Each competitive bid submitted in response to a Notice of Competitive Lease Sale must be accompanied by full payment of the first year's rental based on the total acreage for that lease in the Notice of Competitive Lease Sale.

(b) If the acreage is incorrectly indicated in a Notice of Competitive Lease Sale, payment of the rental based on the error is curable within 15 calendar days of receipt of notice from the authorized officer of the error.

(c) Rental will not be prorated for any lands in which the United States owns an undivided fractional interest and must be paid for the full acreage in such lands.

§ 3103.22 Annual rental payments.

Rentals must be paid on or before the lease anniversary date. A full year's rental must be submitted even when less than a full year remains in the lease term, except as provided in 43 CFR 3103.42(d). Failure to make the required payment on or before the lease anniversary date will cause a lease to terminate automatically by operation of law. If the designated ONRR office is not open on the anniversary date, payment received on the next day the designated ONRR office is open to the public will be deemed to be timely made. Payments made to an improper BLM or ONRR office will be returned and will not be forwarded to the designated ONRR office. Rental must be paid at the following rates:

(a) The annual rental for all leases is as stated in the lease, and the annual rental for all new leases will be as specified in 43 CFR 3103.1;

(b) Rental will not be due on acreage for which royalty or minimum royalty is being paid, except on nonproducing leases when compensatory royalty has been assessed in which case annual rental as established in the lease will be due in addition to compensatory royalty;

(c) For leases that are reinstated under § 3108.23, the annual rental will be as specified in 43 CFR 3103.1 beginning with the termination date upon the filing of a petition to reinstate a lease; and

(d) Each succeeding time a specific lease is reinstated under § 3108.23, the annual rental on that lease will increase by an additional $10 per acre or fraction thereof.

ROYALTIES

§ 3103.31 Royalty on production.

(a) Royalty on production will be payable only on the mineral interest owned by the United States. Royalty must be paid in the amount or value of the production removed or sold as follows:

(1) For leases issued before August 16, 2022, the rate prescribed in the lease or in applicable regulations at the time of lease issuance;

(2) For leases issued between August 16, 2022, and August 16, 2032, the royalty rate will be 16.67 percent;

(3) For leases issued on or after August 16, 2032, a rate of not less than 16.67 percent on all leases issued under the Act;

(4) A minimum of 16.67 percent on all leases issued under 43 CFR subpart 3109;

(5) For reinstated leases, the rate used for royalty determination that applies to new leases at the time of the reinstatement plus 4 percentage points, plus an additional 2 percentage points for each succeeding reinstatement. In no case will royalties on the reinstated lease be less than 20 percent.

(b) Leases that qualify under specific provisions of the Act of August 8, 1946 (30 U.S.C. 226c) may apply for a limitation of a 12½ percent royalty rate.

(c) The average production per well per day for oil and gas will be determined pursuant to 43 CFR 3162.7–4.

(d) Payment of a royalty on the helium component of gas will not convey the right to extract the helium from the gas stream. Applications for the right to extract helium from the gas stream will be made under 43 CFR part 16.

§ 3103.32 Minimum royalties.

(a) A minimum royalty must be paid at the expiration of each lease year beginning on or after a discovery of oil or gas in paying quantities on the lands

leased, except on unitized leases that lack production, the minimum royalty must be paid only on the participating acreage, at the following rates:

(1) On leases issued on or after August 8, 1946, and on those issued prior thereto if the lessee files an election under section 15 of the Act of August 8, 1946, a minimum royalty of $1 per acre or fraction thereof in lieu of rental, except as provided in paragraph (a)(2) of this section; and

(2) On leases issued from offers filed after December 22, 1987, and on competitive leases issued after December 22, 1987, a minimum royalty in lieu of rental of not less than the amount of rental which otherwise would be required for that lease year.

(b) Minimum royalties will not be prorated for any lands in which the United States owns a fractional interest and must be paid on the full acreage of the lease.

(c) Minimum royalties and rentals on non-participating acreage must be paid to the ONRR.

(d) The minimum royalty provisions of this section are applicable to leases reinstated under 43 CFR 3108.23.

(e) If the royalty paid during any year aggregates to less than the minimum royalty, then the lessee must pay the difference at the end of the lease year.

PRODUCTION INCENTIVES

§ 3103.41 Royalty reductions.

(a) In order to encourage the greatest ultimate recovery of oil or gas and in the interest of conservation, the Secretary, upon a determination that it is necessary to promote development or that the leases cannot be produced in paying quantities under the terms provided therein, may waive, suspend or reduce the rental or minimum royalty or reduce the royalty on an entire leasehold, or any portion thereof.

(b)(1) An application for the benefits under paragraph (a) of this section must be filed by the operator/payor in the proper BLM office. The application must contain the serial number of the leases, the names of the record title holders, operating rights owners (sublessees), and operators for each lease, the description of lands by legal subdivision and a description of the relief requested.

(2) Each application must show the number, location and status of each well drilled, a tabulated statement for each month covering a period of not less than 6 months prior to the date of filing the application of the aggregate amount of oil or gas subject to royalty, the number of wells counted as producing each month and the average production per well per day.

(3) Every application must contain a detailed statement of expenses and costs of operating the entire lease, the income from the sale of any production and all facts tending to show whether the wells can be produced in paying quantities upon the fixed royalty or rental. Where the application is for a reduction in royalty, complete information must be furnished as to whether overriding royalties, payments out of production, or similar interests are paid to others than the United States, the amounts so paid and efforts made to reduce them. The applicant must also file agreements of the holders to a reduction of all other royalties or similar payments from the leasehold to an aggregate not in excess of one-half the royalties due the United States.

(c) Petition may be made for a reduction of royalty for leases reinstated under 43 CFR 3108.23. Petitions to waive, suspend or reduce rental or minimum royalty for leases reinstated under 43 CFR 3108.23 may be made under this section.

§ 3103.42 Suspension of operations and/or production.

(a) A suspension of all operations and production may be directed or consented to by the authorized officer only in the interest of conservation of natural resources. A suspension of operations only or a suspension of production only may be directed or consented to by the authorized officer in cases where the lessee is prevented from operating on the lease or producing from the lease, despite the exercise of due care and diligence, by reason of *force majeure*, that is, by matters beyond the reasonable control of the lessee. Applications for any suspension must be

filed in the proper BLM office. Complete information showing the necessity of such relief must be furnished.

(b) The term of any lease will be adjusted to account for the suspension. Beginning on the date the suspension is lifted, the term will be extended by the time that was remaining on the term of the lease on the effective date of the suspension. No lease will expire during any suspension.

(c) A suspension will take effect as of the time specified in the direction or assent of the authorized officer, in accordance with the provisions of 43 CFR 3165.1.

(d) Rental and minimum royalty payments will be suspended during any period of suspension of all operations and production directed or assented to by the authorized officer beginning with the first day of the lease month in which the suspension of all operations and production becomes effective, or if the suspension of all operations and production becomes effective on any date other than the first day of a lease month, beginning with the first day of the lease month following such effective date. However, if there is any production sold or removed during the suspension, the lessee must pay royalty on that production.

(e) Rental and minimum royalty payments will resume on the first day of the lease month in which the suspension of all operations and production is lifted. Where rentals are creditable against royalties and have been paid in advance, proper credit may be allowed on the next rental or royalty due under the terms of the lease.

(f) Rental and minimum royalty payments will not be suspended during any period of suspension of operations only or suspension of production only.

(g) Where all operations and production are suspended on a lease on which there is a well capable of producing in paying quantities and the authorized officer approves resumption of operations and production, such resumption will be regarded as lifting the suspension, including the suspension of rental and minimum royalty payments, as provided in paragraph (e) of this section.

(h) The relief authorized under this section also may be obtained for any Federal lease included within an approved oil and gas agreement. Oil and gas agreement obligations will not be suspended by relief obtained under this section but will be suspended only in accordance with the terms and conditions of the specific agreement.

Subpart 3104—Bonds

§ 3104.1 Bond amounts.

(a) The table in this section shows the minimum bond amounts, that the BLM will adjust every 10 years by a final rule. The BLM will adjust the amounts according to the change in the Implicit Price Deflator for Gross Domestic Product since the previous adjustment. The minimum bond amounts displayed below are effective on June 22, 2024.

TABLE 1 TO PARAGRAPH (a)—MINIMUM BOND AMOUNT TABLE

Oil and gas (parts 3100, 3110, 3120, 3130, 3140):	Minimum bond amount
Lease Bond	$150,000
Statewide Bond	500,000

(b) The Minimum Bond Amount are not subject to appeal to the Interior Board of Land Appeals pursuant to 43 CFR part 4, subpart E.

(c) Principals must increase or replace all bonds not meeting the appropriate minimum bond amount in paragraph (a) by:

(1) June 22, 2026, for statewide; and

(2) June 22, 2027, for lease bonds.

(d) Failure to increase or replace an existing bond that does not meet the minimum bond amount may:

(1) Subject all wells covered by the bond(s) to shut down under the provisions of 43 CFR 3163.1(a)(3);

(2) Subject all leases covered by the bond(s) to cancellation under the provisions of 43 CFR 3108.30; and

(3) Result in the BLM referring the bond obligor or principal to the Department's Suspension and Debarment Program under 2 CFR part 1400 to determine if the person will be suspended or debarred from doing business with the Federal Government.

§ 3104.10 Bond obligations.

(a) Prior to the commencement of surface disturbing activities related to drilling operations, the lessee, operating rights owner (sublessee), or operator must submit a surety or a personal bond, conditioned upon compliance with all of the terms and conditions of the entire leasehold(s) covered by the bond, as described in this subpart. The bond amounts must be not less than the minimum amounts described in this subpart in order to ensure compliance with the Act, including complete and timely plugging of the well(s), reclamation of the lease area(s), and the restoration of any lands or surface waters adversely affected by lease operations after the abandonment or cessation of oil and gas operations on the lease(s) in accordance with, but not limited to, the standards and requirements set forth in 43 CFR 3162.3 and 3162.5 and orders issued by the authorized officer.

(b) Surety bonds must be issued by qualified surety companies approved by the Department of the Treasury (see Department of the Treasury Circular No. 570).

(c) Personal bonds must be accompanied by a:

(1) Certificate of deposit issued by a financial institution, the deposits of which are federally insured, explicitly granting the Secretary full authority to demand immediate payment in case of default in the performance of the terms and conditions of the lease. The certificate will explicitly indicate on its face, or through assignment, that Secretarial approval is required prior to redemption of the certificate of deposit by any party;

(2) Cashier's check;

(3) Certified check; or

(4) Negotiable Treasury securities of the United States of a value equal to the amount specified in the bond. Negotiable Treasury securities must be accompanied by a proper conveyance to the Secretary of full authority to sell such securities in case of default in the performance of the terms and conditions of a lease.

(5) Irrevocable letter of credit issued by a financial institution, for a specific term, identifying the secretary as sole payee with full authority to demand immediate payment in the case of default in the performance of the terms and conditions of a lease. Letters of credit must be subject to the following conditions:

(i) The letter of credit must be issued only by a financial institution organized or authorized to do business in the United States;

(ii) The letter of credit must be irrevocable during its term. A letter of credit used as security for any lease upon which drilling has taken place and final approval of all abandonment has not been given, or as security for an individual lease or statewide bond, will be forfeited and will be collected by the authorized officer if not replaced by other suitable bond or letter of credit at least 30 days before its expiration date;

(iii) The letter of credit must be payable to the Bureau of Land Management upon demand, in part or in full, upon receipt from the authorized officer of a notice of collection stating the basis therefore, *e.g.*, default in compliance with the lease terms and conditions or failure to file a replacement in accordance with paragraph (c)(5)(ii) of this section;

(iv) The initial expiration date of the letter of credit must be at least 1 year following the date it is filed in the proper BLM office; and

(v) The letter of credit must contain a provision for automatic renewal for periods of not less than 1 year in the absence of notice to the proper BLM office at least 90 days prior to the originally stated or any extended expiration date. In the event the BLM is notified of the financial institution's intent not to renew the letter of credit, the principal must extend the letter of credit or provide an adequate replacement bond with an assumption of liability rider. If the BLM does not receive an adequate notice or replacement bond with rider, the BLM will collect the

letter of credit within 30 days of the expiration without further notification to the obligor.

§ 3104.20 Lease bond.

The operator, a lessee, or an owner of operating rights (sublessee) must be covered by a bond in its own name as principal or obligor in an amount of not less than the amount specified in 43 CFR 3104.1 for each lease conditioned upon compliance with all of the terms of the lease. Where two or more lease interest holders have interests in different formations or portions of the lease, separate bonds may be posted. The operator shall be covered by a bond in his/her own name as principal, or a bond in the name of the lessee or sublessee, provided that a consent of the surety, or the obligor in the case of a personal bond, to include the operator under the coverage of the bond is furnished to the BLM office maintaining the bond.

§ 3104.30 Statewide bonds.

In lieu of lease bonds, lessees, owners of operating rights (sublessees), or operators may furnish a bond in an amount of not less than the amount specified in 43 CFR 3104.1 covering all leases and operations in any one State.

§ 3104.40 Surface owner protection bond.

(a) If a good-faith effort by the Federal lessee, its operator, or representatives has not resulted in an agreement with the surface owner under 43 CFR 3171.19, the authorized officer will require an adequate surface owner protection bond in an amount sufficient to indemnify the surface owner against the reasonable and foreseeable damages to crops and tangible improvements from the proposed operations that would not otherwise be covered by a bond held by the BLM. This surface owner protection bond is not part of the bond obligations under lease or statewide bonds.

(b) The surface owner protection bond must be provided on a BLM-approved form.

(c) The surface owner protection bond may be a personal or surety bond and must be not less than $1,000.

(d) The BLM will notify the surface owner of the proposed surface owner protection bond amount.

(e) If the surface owner objects to the sufficiency of the surface owner protection bond, the BLM authorized officer will determine the sufficiency of the bond necessary to indemnify the surface owner for the reasonable and foreseeable damages to crops and tangible improvements.

§ 3104.50 Increased amount of bonds.

(a) When an operator desiring approval of an APD has caused the BLM, or a surface management agency, to make a demand for payment under a bond or other financial guarantee within the 5-year period prior to submission of the APD, due to failure to plug a well or reclaim lands completely in a timely manner, the authorized officer will require, prior to approval of the APD, a bond in an amount equal to the costs, when higher than the minimum bond amounts, as estimated by the authorized officer of plugging the well and reclaiming the disturbed area involved in the proposed operation, or in the minimum amount as prescribed in this subpart, whichever is greater.

(b) The authorized officer may require an increase in the amount of any bond whenever it is determined that the operator poses a risk due to factors, including, but not limited to, a history of previous violations, a notice from the ONRR that there are uncollected royalties due, or the total cost of plugging existing wells and reclaiming lands exceeds the present bond amount based on the estimates determined by the authorized officer. The increase in bond amount may be to any level specified by the authorized officer, but in no circumstances will it exceed the total of the estimated costs of plugging and reclamation, the amount of uncollected royalties due to the ONRR, plus the amount of money owed to the lessor due to previous violations remaining outstanding.

§ 3104.60 Where filed and number of copies.

All bonds must be filed in the proper BLM office on a current form approved by the Director. A single copy executed

by the principal or, in the case of surety bonds, by both the principal and an acceptable surety is sufficient. A bond filed on a form not currently in use will be acceptable, unless such form has been declared obsolete by the Director prior to the filing of such bond. For purposes of 43 CFR 3104.20 and 3104.30, bonds or bond riders must be filed in the BLM State office having jurisdiction over the lease or operations covered by the bond or rider.

§ 3104.70 Default.

(a) Where, upon a default, the surety makes a payment to the United States of an obligation incurred under a lease, the face amount of the surety bond or personal bonds and the surety's liability thereunder will be reduced by the amount of such payment.

(b) After default, where the obligation in default equals or is less than the face amount of the bond(s), the principal must either post a new bond or restore the existing bond(s) to the amount previously held or a larger amount as determined by the authorized officer. In lieu thereof, the principal may file separate bonds for each lease covered by the deficient bond(s). Where the obligation incurred exceeds the face amount of the bond(s), the principal must make full payment to the United States for all obligations incurred that are in excess of the face amount of the bond(s) and must post a new bond in the amount previously held or such larger amount as determined by the authorized officer. The restoration of a bond or posting of a new bond must be made within 6 months or less after receipt of notice from the authorized officer. Failure to comply with these requirements may:

(1) Subject all leases covered by such bond(s) to cancellation under the provisions of 43 CFR 3108.30; and

(2) Result in the bond obligor or principal being referred to the Department's Suspension and Debarment Program under 2 CFR part 1400 to determine if the person will be suspended or debarred from doing business with the Federal Government.

§ 3104.80 Termination of period of liability.

The authorized officer will not give consent to termination of the period of liability of any bond unless an acceptable replacement bond has been filed or until all the terms and conditions of the lease have been met.

§ 3104.90 Unit Operator and nationwide bonds held prior to June 22, 2024.

Unit operator and nationwide bonds accepted by the BLM prior to June 22, 2024, must be replaced with individual lease or statewide bonds by June 22, 2025. The BLM will not accept any new unit operator or nationwide bonds.

Subpart 3105—Cooperative Conservation Provisions

§ 3105.10 Cooperative or unit agreement.

(a) The suggested contents of such an agreement and the procedures for obtaining approval are contained in 43 CFR part 3180.

(b) An application to form a unit agreement, a unit expansion, or a designation of a successor operator must include the processing fee found in the fee schedule in § 3000.120 of this chapter.

COMMUNITIZATION AGREEMENTS

§ 3105.21 Where filed.

(a) An application to form a communitization agreement or modify an existing agreement must be filed with the proper BLM office for final approval.

(b) An application for a communitization agreement must include:

(1) A statement as to whether the proposed communitization agreement deviates from the BLM's current model communitization agreement form, and a certification that the applicant received the required signatures;

(2) An Exhibit A displaying a map of the area covered by the proposed agreement and the separate agreement tracts; and

(3) An Exhibit B displaying the separate tracts and ownership;

(c) To ensure accurate reporting to ONRR, an application for a

communitization agreement should be submitted at least 90 calendar days prior to first production.

(d) An application for designations of successor operator for a communitization agreement must include the processing fee found in the fee schedule in § 3000.120 of this chapter.

§ 3105.22 Purpose.

When a lease or a portion thereof cannot be independently developed and operated in conformity with an established well-spacing or well-development program, the authorized officer may approve a communitization agreement for such lands with other lands, whether or not owned by the United States, upon a determination that it is in the public interest. Operations or production under such an agreement will be deemed to be operations or production as to each lease committed thereto.

§ 3105.23 Requirements.

(a) The communitization agreement must describe the separate tracts comprising the drilling or spacing unit, must show the apportionment of the production or royalties to the several parties, the name of the operator, and contain adequate provisions for the protection of the interests of the United States. The agreement must be signed by or on behalf of all necessary parties and must be filed prior to the expiration of the Federal lease(s) involved in order to confer the benefits of the agreement upon such lease(s).

(b) The agreement will be effective as to the Federal lease(s) involved only if approved by the authorized officer. Approved communitization agreement are considered effective from the date of the agreement or from the date of the onset of production from the communitized formation, whichever is earlier, except when the spacing unit is subject to a State pooling order after the date of first sale, then the effective date of the agreement will be the effective date of the order.

(c) The public interest requirement for an approved communitization agreement will be satisfied only if the well dedicated thereto has been completed for production in the communitized formation at the time the agreement is approved or, if not, that the operator thereafter commences and/or diligently continues drilling operations to a depth sufficient to test the communitized formation or establishes to the satisfaction of the authorized officer that further drilling of the well would be unwarranted or impracticable. If an application is received for voluntary termination of a communitization agreement during its fixed term or such an agreement automatically expires at the end of its fixed term without the public interest requirement having been satisfied, the approval of that agreement by the authorized officer will be invalid and no Federal lease included in the communitization agreement will be eligible for an extension under 43 CFR 3107.40.

§ 3105.24 Communitization agreement terms.

The communitization agreement will remain in effect for a period of 2 years from the effective date or approval date, whichever is later, and so long thereafter as communitized substances may be produced in paying quantities, or as otherwise specified in the agreement.

Operating, Drilling, or Development Contracts

§ 3105.31 Where filed.

A contract submitted for approval under this section must be filed with the proper BLM office.

§ 3105.32 Purpose.

Approval of operating, drilling or development contracts will be granted only to permit operators or pipeline companies to enter into contracts with a number of lessees sufficient to justify operations on a scale large enough to justify the discovery, development, production or transportation of oil or gas and to finance the same.

§ 3105.33 Requirements.

The contract must be accompanied by a statement showing all the interests held by the contractor in the area or field and the proposed or agreed plan for development and operation of the field. All the contracts held by the

same contractor in the area or field must be submitted for approval at the same time and full disclosure of the projects made.

SUBSURFACE STORAGE OF OIL AND GAS

§ 3105.41 Where filed.

(a) Applications for subsurface storage or designations of successor operator must be filed in the proper BLM office.

(b) The final gas storage agreement signed by all the parties in interest must be submitted to the BLM.

(c) Applications for subsurface storage agreements or designations of successor operator must include the processing fee found in the fee schedule in § 3000.120 of this chapter.

§ 3105.42 Purpose.

To avoid waste and to promote conservation of natural resources, the Secretary, upon application by the interested parties, may authorize the subsurface storage of oil and gas, whether or not produced from lands owned by the United States. Such authorization will provide for the payment of such storage fee or rental on the stored oil or gas as may be determined adequate in each case, or, in lieu thereof, for a royalty other than that prescribed in the lease when such stored oil or gas is produced in conjunction with oil or gas not previously produced. The BLM will require a bond as provided under § 3104 for operations conducted in a subsurface storage agreement.

§ 3105.43 Requirements.

The agreement must disclose the ownership of the lands involved, the parties in interest, the storage fee, rental or royalty offered to be paid for such storage and all information demonstrating such storage would avoid waste and promote the conservation of natural resources.

§ 3105.44 Extension of lease term.

Any lease used for the storage of oil or gas will be extended for the period of storage under an approved agreement. The obligation to pay annual lease rent continues during the extended period.

§ 3105.50 Consolidation of leases.

(a) Leases may be consolidated upon written request of the lessee filed with the proper BLM office. The request must identify each lease involved by serial number and justify the consolidation. Each request for a consolidation of leases must include the processing fee found in the fee schedule in § 3000.120 of this chapter.

(b) All parties holding any undivided interest in any lease involved in the consolidation must agree to enter into the same lease consolidation.

(c) Leases containing different types of lands (public domain lands vs. acquired lands), mixed fractional mineral interest, or provisions required by law that cannot be reconciled, will not be consolidated.

(d) Consolidation of leases will not exceed acreage limits of 2,560 acres for competitive leases and 10,240 acres for noncompetitive leases.

(e) The effective date, the anniversary date, and the primary term of the consolidated lease will be those of the oldest original lease included in the consolidation. The term of a consolidated lease may be extended beyond the primary lease term under subpart 3107.

(f) The highest royalty and rental rates of the each of the leases to be consolidated will apply to the consolidated lease.

(g) Lease stipulations and other terms and conditions of each original lease, except as noted in paragraphs (e) and (f) of this section, will continue to apply to that lease or any portion thereof regardless of the lease becoming a part of a consolidated lease.

Subpart 3106—Transfers by Assignment, Sublease, or Otherwise

§ 3106.10 Transfers, general.

(a) Leases may be transferred by assignment or sublease as to all or part of the acreage in the lease or as to either a divided or undivided interest therein.

(b) An assignment of the record title conveys both record title and operating rights, unless operating rights have been severed from the record title

through an approved transfer of operating rights. Thereafter, the operating rights and record title may each be subject to further transfers.

(c) An assignment of a separate zone, deposit, depth, formation, specific well, or of part of a legal subdivision, will be denied.

(d) Within the boundaries of a Federal lease, operating rights may only be divided with respect to legal subdivisions, depth ranges, and formations.

(e) An assignment of less than 640 acres outside Alaska or of less than 2,560 acres within Alaska will be denied unless the assignment constitutes the entire lease or is demonstrated to further the development of oil and gas to the satisfaction of the authorized officer. Reference 43 CFR 3102.51(g) for certification of compliance.

(f) The rights of the transferee to a lease or an interest therein will not be recognized by the Department until the transfer has been approved by the authorized officer.

(g) A transfer may be withdrawn in writing, signed by the transferor and the transferee, if the transfer has not been approved by the authorized officer.

(h) A request for approval of a transfer of a lease or interest in a lease must be filed within 90 days from the date of its execution. The 90-day filing period will begin on the date the transferor signs and dates the transfer. If the transfer is filed after the 90th day, the authorized officer may require verification that the transfer is still in force and effect.

(i) A transfer of production payments or overriding royalty or other similar payments, arrangements, or interests must be filed in the proper BLM office but will not require approval.

(j) No transfer of an offer to lease or interest in a lease will be approved prior to the issuance of the lease.

§ 3106.20 Qualifications of assignees and transferees.

Assignees and transferees must comply with the provisions of 43 CFR subpart 3102 and post any bond that may be required. Only responsible and qualified lessees may own, hold, or control an interest in a lease.

§ 3106.30 Fees.

(a) Each transfer of record title or of operating rights (sublease) for each lease must include payment of the processing fee for assignments and transfers found in the fee schedule in § 3000.120 of this chapter.

(b) Each transfer of overriding royalty or payment out of production must include payment of the processing fee for overriding royalty transfers or payments out of productions found in the fee schedule in § 3000.120 of this chapter for each lease to which it applies.

FORMS

§ 3106.41 Transfers of record title and of operating rights (subleases).

Each transfer of record title or of an operating right (sublease) must be filed with the proper BLM office on a current form approved by the Director. A separate form for each transfer, in triplicate, must be filed for each lease out of which a transfer is made. The BLM does not require triplicate copies of the assignment or transfer when it is electronically submitted. Copies of documents other than the current form approved by the Director must not be submitted. However, reference(s) to other documents containing information affecting the terms of the transfer may be made on the submitted form.

§ 3106.42 Transfers of other interests, including royalty interests and production payments.

(a) Each transfer of overriding royalty interest, payment out of production or similar interests created or reserved must be described for each lease on the current assignment or transfer form when filed.

(b) A single executed copy of each such transfer of other interests for each lease must be filed with the proper BLM office.

§ 3106.43 Mass transfers.

(a) A mass transfer may be utilized in lieu of the provisions of 43 CFR 3106.41 and 3106.42 when an assignor or transferor transfers interests of any type in more than one Federal lease to the same assignee or transferee.

(b) The mass transfer must be filed with each proper BLM office administering any lease affected by the mass transfer. The transfer must be on a current form approved by the Director with an exhibit attached to each copy listing the following for each lease:

(1) The serial number;

(2) The type and percent of interest being conveyed; and

(3) A description of the lands affected by the transfer in accordance with 43 CFR 3106.50.

(c)(1) One duplicate copy of the form must be filed with the proper BLM office for each lease involved in the mass transfer. A copy of the exhibit for each lease may be limited to line items pertaining to individual leases as long as that line item includes the information required by paragraph (b) of this section. The BLM does not require a duplicate copy of the assignment or transfer when it is electronically submitted.

(2) When the BLM does not receive the requisite number of copies, the applicant must reimburse the BLM for the full costs incurred to make the required number of copies. The BLM will waive fees under one dollar.

(d) A mass transfer must include the processing fee for assignments and transfers found in the fee schedule in § 3000.120 of this chapter for each such interest transferred for each lease.

§ 3106.50 Description of lands.

Each assignment of record title must describe the lands involved in the same manner as the lands are described in the lease, except no land description is required when 100 percent of the entire area encompassed within a lease is conveyed.

§ 3106.60 Bond requirements.

Where the lessee or operating rights owner (sublessee) maintains a bond covering the lease, the assignee of record title interest or transferee of operating rights in such lease must furnish, if bond coverage continues to be required, a proper bond that will cover any obligations arising under the lease to the same extent as the assignor's or transferor's bond.

APPROVAL OF TRANSFER OR ASSIGNMENT

§ 3106.71 Failure to qualify.

The BLM will not approve any assignment of record title or transfer of operating rights (sublease) if any party in interest is not a qualified lessee, or if the bond is insufficient. The BLM approves assignments and transfers for administrative purposes only. Approval does not warrant or certify that either party to a transfer holds legal or equitable title to a lease.

§ 3106.72 Continuing obligation of an assignor or transferor.

(a) The lessee or sublessee remains responsible for performing all obligations under the lease until the date the BLM approves an assignment of record title interest or transfer of operating rights.

(b) After the BLM approves the assignment or transfer, the assignor or transferor will continue to be responsible for lease obligations that accrued before the approval date, whether or not such obligations were identified at the time of the assignment or transfer. This includes paying compensatory royalties for drainage. It also includes responsibility for plugging wells drilled and removing facilities installed or used before the effective date of the assignment or transfer.

§ 3106.73 Lease account status.

The BLM will not approve a transfer if the lease account is delinquent with respect to: royalty payments; lease obligations, such as, but not limited to, rent and minimum royalty; or production reporting to ONRR for a lease in non-terminable status.

§ 3106.74 Effective date of transfer.

The signature of the authorized officer on the official form will constitute approval of the assignment of record title or transfer of operating rights (sublease) which will take effect as of the first day of the lease month following the date of filing in the proper BLM office of all documents and statements required by this subpart and an appropriate bond, if one is required.

§ 3106.75 Effect of transfer.

An assignment of record title to 100 percent of a portion of the lease segregates the transferred portion and the retained portion into separate leases. Each resulting lease retains the anniversary date and the terms and conditions of the original lease. An assignment of record title to less than 100 percent of a portion of the lease or a transfer of operating rights (sublease) will not segregate the transferred and retained portions into separate leases.

§ 3106.76 Obligations of assignee or transferee.

(a) The assignee of record title agrees to comply with the terms of the original lease during the lease tenure. The assignee assumes the responsibility to plug and abandon all wells which are no longer capable of producing, reclaim the lease site, and remedy all environmental problems in existence and that a purchaser exercising reasonable diligence should have known existed at the time of the transfer. When required, the record title holder must also maintain an adequate bond to ensure performance of these responsibilities.

(b) The transferee of operating rights agrees to comply with the terms of the original lease as it applies to the area or horizons for the interest acquired. The transferee assumes the responsibility to plug and abandon all wells that are no longer capable of producing, reclaim the lease site, and remedy all environmental problems in existence and that a purchaser exercising reasonable diligence should have known existed at the time of the transfer. When required, the operating rights holder must also maintain an adequate bond to ensure performance of these responsibilities.

OTHER TYPES OF TRANSFERS

§ 3106.81 Heirs and devisees.

(a) If an offeror, applicant, lessee or transferee dies, their rights would be assigned or transferred to the heirs, devisees, executor or administrator of the estate, as appropriate, upon the filing of legal documents demonstrating that the assignee or transferee is recognized as the successor of the deceased.

(b) The filing must include the processing fee for the transfer to an heir/devisee found in the fee schedule in § 3000.120 of this chapter with the request to assign lease rights.

(c) The filing must include a qualification statement demonstrating qualification to hold an interest in a lease in accordance with 43 CFR subpart 3102. Any ownership or interest otherwise forbidden by the regulations in this part which may be acquired by descent, will, judgment or decree may be held for a period not to exceed 2 years after its acquisition. Any such forbidden ownership or interest held for a period of more than 2 years after acquisition may be subject to cancellation.

(d) A bond rider or replacement bond may be required for any bond(s) previously furnished by the decedent.

§ 3106.82 Change of name.

(a) A legally recognized change of name of a lessee or sublessee must be reported to the proper BLM office. The notice of name change must be submitted in writing with adequate information concerning the name change. For a corporate name change, the request must include the Secretary of State's Certificate of Name Change, along with the Articles of Incorporation, or Amendment, if available.

(b) An entity must include with the notice of name change the required processing fee listed in the fee schedule in § 3000.120 of this chapter.

(c) If a bond(s) has been furnished, a change of name on the bond may be made by surety consent or a rider to the original bond or by a replacement bond.

§ 3106.83 Corporate mergers and dissolution of corporations, partnerships, and trusts.

(a) In the event a corporate merger affects leases where property of the dissolving corporation to the surviving corporation is accomplished by operation of law, an assignment of any affected lease interest is not required. An entity must notify the BLM of the merger and provide copies of the Secretary of State's Certificate of Merger,

along with the Articles of Incorporation, or Amendment, if available, to the BLM.

(b) The BLM will not recognize any transfers provided by the Articles of Dissolution unless an entity has filed with the BLM a Certificate of Dissolution of an incorporated entity, certified as accepted by the State where the entity was incorporated.

(c) An entity must file with the BLM a dissolution of a partnership or trust through an order or decree that authorizes settlement, discharge, and distribution of the lease holdings and/or interests for official recognition of the assignment of lease interests.

(d) An entity must include the processing fee for corporate merger or dissolution of corporation, partnership, or trust found in the fee schedule in § 3000.120 of this chapter.

(e) The authorized officer may require a bond rider or replacement bond for all affected corporations, partnerships or trusts.

§ 3106.84 Sheriff's sale/deed.

(a) Where a notice of sale of the leasehold interest is published pursuant to State law applicable to the execution of sales of real property, the purchaser must submit a copy of the Sheriff's Certificate of Sale to the proper BLM office after any redemption period has passed.

(b) When submitting the certificate described in paragraph (a), an entity must include the processing fee for sheriff's deed found in the fee schedule in § 3000.120 of this chapter.

(c) The purchaser(s) must file a qualification statement to hold an interest in a lease in accordance with 43 CFR subpart 3102. Failure to provide a qualification statement after 2 years will result in the BLM cancelling the lease or interest.

(d) If a bond has been furnished by the previous interest holder, the authorized officer may require a new bond.

Subpart 3107—Continuation and Extension

§ 3107.10 Extension by drilling.

(a) Any lease on which actual drilling operations were commenced prior to the end of its primary term and are being diligently prosecuted at the end of the primary term or any lease which is part of an approved oil and gas agreement upon which such drilling takes place, will be extended for 2 years subject to the rental being timely paid as required by 43 CFR 3103.20, and subject to the provisions of 43 CFR 3105.23 and appendix A to part 3180, if applicable. The BLM will not grant a drilling extension for a lease in its extended term.

(b) Actual drilling operations must be conducted in a manner that a reasonable person seriously looking for oil or gas could be expected to make in that particular area, given the existing knowledge of geologic and other pertinent facts. In drilling a new well on a lease or for the benefit of a lease under the terms of an approved agreement, it must be taken to a depth sufficient to penetrate at least one formation recognized in the area as potentially productive of oil or gas, or where an existing well is reentered, it must be taken to a depth sufficient to penetrate at least one new and deeper formation recognized in the area as potentially productive of oil or gas. The authorized officer may determine that further drilling is unwarranted or impracticable.

(c) When a BLM-approved directional or horizontal well is drilled within the leased area from an off-lease location with the intent to produce from the leased area, the BLM will consider drilling to have commenced on the leased area when drilling is commenced at the off-lease location.

PRODUCTION

§ 3107.21 Continuation by production.

A lease will be extended so long as oil or gas is being produced in paying quantities.

§ 3107.22 Cessation of production.

A lease in its extended term because of production (and lacking a well capable of production in paying quantities) will not expire upon cessation of production, if, within 60 calendar days of cessation of production, reworking or drilling operations on the leasehold are

commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. If these reworking or drilling operations fail to result in production in paying quantities, the lease will expire by operation of law, effective as of the date paying production ceased.

§ 3107.23 Leases capable of production.

No lease for lands on which there is a well capable of producing oil or gas in paying quantities will expire because the lessee fails to produce the same, unless the lessee fails to place the lease in production within a period of not less than 60 calendar days as specified by the authorized officer after receipt of notice by certified mail from the authorized officer to do so. Such production must be continued unless and until suspension of production is granted by the authorized officer.

EXTENSION OF LEASES WITHIN AGREEMENTS

§ 3107.31 Leases committed to an agreement.

(a) Any lease or portion of a lease committed to an oil and gas agreement that contains a general provision for allocation of oil or gas will continue in effect so long as the lease or portion thereof remains subject to the agreement; *provided*, that there is production of oil or gas in paying quantities under the agreement prior to the expiration date of such lease.

(b) A well that is drilled and completed on a lease committed to a unit agreement, and that is capable of production in paying quantities on a lease basis, will extend the term of all expiring Federal leases committed to the unit agreement for the term of the unit agreement and so long as the well is capable of production in paying quantities.

§ 3107.32 Segregation of leases committed in part.

(a) Any lease committed after July 29, 1954, to any unit agreement, which covers lands within and lands outside the area covered by the agreement, will be segregated, as of the effective date of commitment to the unit, into separate leases; one covering the lands committed to the agreement, the other lands not committed to the agreement. For unproven areas, such segregation will occur only when the public interest requirement is satisfied pursuant to 43 CFR 3183.4(b). Upon satisfaction of the public interest requirement, the BLM will deem the segregation to have been effective as of the date of commitment of the lands to the unit.

(b)(1) The segregated lease covering the non-unitized portion of the lands will continue in force and effect for the term of the lease or for 2 years from the date of segregation, whichever is longer.

(2) If a partially committed lease is in an extended term because of production, the segregated, non-producing lease will continue in effect so long as the producing lease exists and rentals are paid, and so long thereafter as oil or gas is produced from the committed lease.

§ 3107.40 Extension by elimination.

Any lease eliminated from any approved or prescribed oil and gas agreement authorized by the Act and any lease in effect at the termination of such agreement, unless relinquished, will continue in effect for the original term of the lease or for 2 years after its elimination from the agreement or after the termination of the plan or agreement, whichever is longer, and for so long thereafter as oil or gas is produced in paying quantities. No lease will be extended if the public interest requirement for an approved oil and gas agreement has not been satisfied, as determined by the authorized officer.

EXTENSION OF LEASES SEGREGATED BY ASSIGNMENT

§ 3107.51 Extension after discovery on other segregated portions.

Any lease segregated by assignment, including the retained portion, will continue in effect for the primary term of the original lease, or for 2 years after the date a well capable of production in paying quantities is established upon any other portion of the original lease, whichever is the longer period.

§ 3107.52 Undeveloped parts of leases in their extended term.

Undeveloped parts of leases retained or assigned out of leases which are in their extended term will continue in effect for 2 years after the effective date of assignment, provided the parent lease was issued prior to September 2, 1960.

§ 3107.53 Undeveloped parts of producing leases.

Undeveloped parts of leases retained or assigned out of leases which are extended by production, actual or suspended, or the payment of compensatory royalty will continue in effect for 2 years after the effective date of assignment and for so long thereafter as oil or gas is produced in paying quantities.

§ 3107.60 Extension of reinstated leases.

Where a reinstatement of a terminated lease is granted under 43 CFR 3108.20 and the authorized officer finds that the reinstatement will not afford the lessee a reasonable opportunity to continue operations under the lease, the authorized officer may extend the term of such lease for a period sufficient to give the lessee such an opportunity. Any extension will be subject to the following conditions:

(a) No extension will exceed a period equal to the unexpired portion of the lease or any extension thereof remaining at the date of termination.

(b) When the reinstatement occurs after the expiration of the term or extension thereof, the lease may be extended from the date the authorized officer grants the petition, but in no event for more than 2 years from the date the reinstatement is authorized and so long thereafter as oil or gas is produced in paying quantities.

OTHER EXTENSION TYPES

§ 3107.71 Payment of compensatory royalty.

The payment of a compensatory royalty will extend the term of any lease for the period during which such compensatory royalty is paid and for a period of 1 year from the discontinuance of such payments.

§ 3107.72 Subsurface storage of oil and gas.

Any lease used for the storage of oil or gas will be extended for the period of storage under an approved agreement.

Subpart 3108—Relinquishment, Termination, Cancellation

§ 3108.10 Relinquishment.

The lessee(s) may relinquish the lease or any legal subdivision of the lease at any time. The lessee(s) must file a written relinquishment with the BLM State Office with jurisdiction over the lease. All lessees holding record title interests in the lease must sign the relinquishment. A relinquishment takes effect on the date the lessee filed it with the BLM. However, the lessee(s) and the party that issued the bond will continue to be obligated to:

(a) Make payments of all accrued rentals and royalties, including payments of compensatory royalty due for all drainage that occurred before the relinquishment;

(b) Place all wells to be relinquished in condition for suspension or abandonment as the BLM requires; and

(c) Complete reclamation of the leased sites after stopping or abandoning oil and gas operations on the lease, under a plan approved by the BLM or the appropriate surface management agency.

TERMINATION BY OPERATION OF LAW AND REINSTATEMENT

§ 3108.21 Automatic termination.

(a) Except as provided in paragraph (b) of this section, any lease on which there is no well capable of producing oil or gas in paying quantities will automatically terminate by operation of law (30 U.S.C. 188) if the lessee fails to pay the rental at the designated ONRR office on or before the lease anniversary date. However, if the designated ONRR office is closed on the anniversary date, a rental payment received on the next business day the ONRR office is open to the public will be considered timely made.

(b) If the rental payment due under a lease is paid on or before its anniversary date but the amount of the payment is deficient and the deficiency is

nominal as defined in this section, or the amount of payment made was determined in accordance with the rental or acreage figure stated in a decision rendered by the authorized officer, and such figure is found to be in error resulting in a deficiency, such lease will not have automatically terminated unless the lessee fails to pay the deficiency within the period prescribed in the Notice of Deficiency provided for in this section. A deficiency will be considered nominal if it is not more than $100 or more than 5 percent of the total payment due, whichever is less. The designated ONRR office will send a Notice of Deficiency to the lessee. The Notice will allow the lessee 15 days from the date of receipt or until the due date, whichever is later, to submit the full balance due to the designated ONRR office. If the payment required by the Notice is not paid within the time allowed, the lease will have terminated by operation of law as of its anniversary date.

(c) The automatic termination provision does not apply where, due to other contingencies, additional rental is due on a date other than the lease anniversary date and where the lessee did not receive notice that the obligation had accrued, unless the lessee fails to pay the rental within the period prescribed in the BLM Notice.

§ 3108.22 Reinstatement at existing rental and royalty rates: Class I reinstatements.

(a) Except as hereinafter provided, the authorized officer may reinstate a lease which has terminated for failure to pay on or before the anniversary date the full amount of rental due, provided that:

(1) Such rental was paid or tendered within 20 days after the anniversary date; and

(2) It is shown to the satisfaction of the authorized officer that the failure to timely submit the full amount of the rental due was either justified or not due to a lack of reasonable diligence on the part of the lessee (reasonable diligence includes a rental payment that is paid to the ONRR on or before the lease anniversary date. If the designated ONRR office or payment system is not operational on the anniversary date, payment received on the next business day in which the designated ONRR office or payment system is operational to the public will be deemed timely); and

(3) A petition for reinstatement and the processing fee for lease reinstatement, Class I, found in the fee schedule in § 3000.120 of this chapter, are filed with the proper BLM office within 60 days after receipt of Notice of Termination of Lease due to late payment of rental. If a terminated lease becomes productive prior to the time the lease is reinstated, all required royalty that has accrued must be paid to the ONRR.

(b) The burden of showing that the failure to pay on or before the anniversary date was justified or not due to lack of reasonable diligence is on the lessee.

(c) Under no circumstances will a terminated lease be reinstated if:

(1) A valid oil and gas lease has been issued prior to the filing of a petition for reinstatement affecting any of the lands covered by that terminated lease; or

(2) The oil and gas interests of the United States in the lands have been disposed of or otherwise have become unavailable for leasing.

§ 3108.23 Reinstatement at higher rental and royalty rates: Class II reinstatements.

(a) The authorized officer may, if the requirements of this section are met, reinstate a competitive oil and gas lease which was terminated by operation of law for failure to pay rental timely when the rental was not paid or tendered within 20 calendar days of the termination date, and it is shown to the satisfaction of the authorized officer that such failure was justified or not due to a lack of reasonable diligence, or no matter when the rental was paid, it is shown to the satisfaction of the authorized officer that such failure was inadvertent.

(b)(1) Such leases may be reinstated if the required back rental and royalty at the increased rates accruing from the date of termination, together with a petition for reinstatement, are filed on or before the earlier of:

(i) Sixty calendar days after the last date that any lessee of record received

Notice of Termination by certified mail; or

(ii) Twenty-four months after termination of the lease.

(2) After determining that the requirements for filing of the petition for reinstatement have been timely met, the authorized officer may reinstate the lease if:

(i) No valid lease has been issued prior to the filing of the petition for reinstatement affecting any of the lands covered by the terminated lease, whether such lease is still in effect or not;

(ii) The oil and gas interests of the United States in the lands have not been disposed of or have not otherwise become unavailable for leasing;

(iii) Payment of all back rentals and royalties at the rates established for the reinstated lease has been made;

(iv) An agreement has been signed by the lessee and attached to and made a part of the lease specifying future rentals at the applicable rates specified for reinstated leases in 43 CFR 3103.22 and future royalties at the rates set in 43 CFR 3103.31 for all production removed or sold from such lease or shared by such lease from production allocated to the lease by virtue of its participation in an oil and gas agreement;

(v) A notice of the proposed reinstatement of the terminated lease and the terms and conditions of reinstatement has been published in the FEDERAL REGISTER at least 30 days prior to the date of reinstatement for which the lessee must reimburse the BLM for the full costs incurred in the publishing of said notice; and

(vi) The lessee has paid the BLM a nonrefundable administrative fee of $500.

(c) The authorized officer will furnish to the Chairpersons of the Committee on Natural Resources of the House of Representatives and of the Committee on Energy and Natural Resources of the Senate, at least 30 days prior to the date of reinstatement, a copy of the notice, together with information concerning rental, royalty, volume of production, if any, and any other matter which the authorized officer considers significant in making the determination to reinstate.

(d) If the authorized officer reinstates the lease, the reinstatement will be effective as of the date of termination, for the unexpired portion of the original lease or any extension thereof remaining on the date of termination, and so long thereafter as oil or gas is produced in paying quantities. Where a lease is reinstated under this section and the authorized officer finds that the reinstatement of such lease either:

(1) Occurs after the expiration of the primary term or any extension thereof; or

(2) Will not afford the lessee a reasonable opportunity to continue operations under the lease, the authorized officer may extend the term of the reinstated lease for such period as determined reasonable, but in no event for more than 2 years from the date of the reinstatement and so long thereafter as oil or gas is produced in paying quantities.

§ 3108.30 Cancellation.

(a) Whenever the lessee fails to comply with any of the provisions of the law, the regulations issued thereunder, or the lease, the lease may be canceled by the Secretary, if the leasehold does not contain a well capable of production of oil or gas in paying quantities, or if the lease is not committed to an approved oil and gas agreement that contains a well capable of production of unitized substances in paying quantities. The lease may be canceled only if the default continues for 30 calendar days after a notice of default has been delivered in accordance with 43 CFR 1810.2.

(b) Whenever the lessee fails to comply with any of the provisions of the law, the regulations issued thereunder, or the lease, and if the leasehold contains a well capable of production of oil or gas in paying quantities, or if the lease is committed to an approved oil and gas agreement that contains a well capable of production of unitized substances in paying quantities, the lease may be canceled only by court order in the manner provided by section 31(a) of the Act (30 U.S.C. 188).

(c) If any interest in any lease is owned or controlled, directly or indirectly, by means of stock or otherwise, in violation of any of the provisions of

the Act, the lease may be canceled, or the interest so owned may be forfeited, or the person so owning or controlling the interest may be compelled to dispose of the interest, only by court order in the manner provided by section 27(h)(1) of the Act (30 U.S.C. 184).

(d) Leases will be subject to cancellation if improperly issued.

§ 3108.40 Bona fide purchasers.

A lease or interest therein may not be cancelled to the extent that such action adversely affects the title or interest of a *bona fide* purchaser even though such lease or interest, when held by a predecessor in title, may have been subject to cancellation. All purchasers will be charged with constructive notice as to all pertinent regulations and all BLM records pertaining to the lease and the lands covered by the lease. Prompt action may be taken to dismiss as a party to any proceedings with respect to a violation by a predecessor of any provisions of the Act, any person who shows the holding of an interest as a *bona fide* purchaser without having violated any provisions of the Act. No hearing will be necessary upon such showing unless prima facie evidence is presented that the purchaser is not a *bona fide* purchaser.

§ 3108.50 Waiver or suspension of lease rights.

If, during any proceeding with respect to a violation of any provision of the regulations in 43 CFR parts 3000 and 3100 or the Act, a party thereto files a waiver of his/her rights under the lease to drill or to assign his/her lease interests, or if such rights are suspended by order of the Secretary pending a decision, payments of rentals and the running of time against the term of the lease involved will be suspended as of the first day of the month following the filing of the waiver or the Secretary's suspension until the first day of the month following the final decision in the proceeding or the revocation of the waiver or suspension.

Subpart 3109—Leasing under Special Acts

RIGHTS-OF-WAY

§ 3109.11 Generally.

The Act of May 21, 1930 (30 U.S.C. 301–306), authorizes either the leasing of oil and gas deposits under railroad and other rights-of-way to the owner of the right-of-way or the entering of a compensatory royalty agreement with adjoining landowners. This authority will be exercised only with respect to railroad rights-of-way and easements issued pursuant either to the Act of March 3, 1875 (43 U.S.C.934 *et seq.*), or pursuant to earlier railroad right-of-way statutes, and with respect to rights-of-way and easements issued pursuant to the Act of March 3, 1891 (43 U.S.C. 946 *et seq.*). The oil and gas underlying any other right-of-way or easement is included within any oil and gas lease issued pursuant to the Act which covers the lands within the right-of-way, subject to the limitations on use of the surface, if any, set out in the statute under which, or permit by which, the right-of-way or easement was issued, and such oil and gas will not be leased under the Act of May 21, 1930.

§ 3109.12 Application.

(a) No approved form is required for an application to lease oil and gas deposits underlying a right-of-way.

(b) The right-of-way owner or his/her transferee must file the application in the proper BLM office.

(c) Include the processing fee for leasing under right-of-way found in the fee schedule in § 3000.120 of this chapter.

(d) An application must include:

(1) Facts as to the ownership of the right-of-way, and of the transfer if the application is filed by a transferee;

(2) An executed transfer of the right to obtain a lease, if necessary;

(3) A description of the development of oil or gas in adjacent or nearby lands, the location and depth of the wells, the production and the probability of drainage of the deposits in the right-of-way;

(4) A description of each legal subdivision through which a portion of the

right-of-way desired to be leased traverses; however, a description by metes and bounds of the right-of-way is not required; and

(5) A map of the applicable lands.

§ 3109.13 Notice.

After the BLM has determined that a lease of a right-of-way or any portion thereof is consistent with the public interest, either upon consideration of an application for lease or on its own motion, the authorized officer will serve notice on the owner or lessee of the oil and gas rights of the adjoining lands. The adjoining landowner or lessee will be allowed a reasonable time, as provided in the notice, within which to submit a bid for the percent of compensatory royalty, the owner or lessee must pay for the extraction of the oil and gas underlying the right-of-way through wells on such adjoining lands. The owner of the right-of-way will be given the same time period to submit a bid for the lease.

§ 3109.14 Award of lease or compensatory royalty agreement.

Award of lease to the owner of the right-of-way, or a contract for the payment of compensatory royalty by the owner or lessee of the adjoining lands will be made to the bidder whose offer is determined by the authorized officer to be to the best advantage of the United States, considering the amount of royalty to be received and the better development under the respective means of production and operation.

§ 3109.15 Compensatory royalty agreement or lease.

(a) The lease or compensatory royalty agreement will be on a form approved by the Director.

(b) The primary term of the lease will be for a period of 10 years.

(c) The following provisions of 43 CFR part 3100 apply to the issuance and administration of leases for oil and gas deposits underlying a right-of-way issued under this part:

(1) All of subpart 3101, except §§ 3101.21, 3101.22, 3101.23, 3101.24, and 3101.25; and

(2) All of subparts 3102 through 3108;

§ 3109.20 Units of the National Park System.

(a) Oil and gas leasing in units of the National Park System will be governed by 43 CFR part 3100 and all operations conducted on a lease or permit in such units will be governed by 43 CFR parts 3160 and 3180.

(b) Any lease or permit respecting minerals in units of the National Park System may be issued or renewed only with the consent of the Regional Director, National Park Service. Such consent will only be granted upon a determination by the Regional Director that the activity permitted under the lease or permit will not have significant adverse effect upon the resources or administration of the unit pursuant to the authorizing legislation of the unit. Any lease or permit issued will be subject to such conditions as may be prescribed by the Regional Director to protect the surface and significant resources of the unit, to preserve their use for public recreation, and to the condition that site specific approval of any activity on the lease will only be given upon concurrence by the Regional Director. All lease applications received for reclamation withdrawn lands will also be submitted to the Bureau of Reclamation for review.

(c) The units subject to the regulations in this part are those units of land and water which are shown on the following maps on file and available for public inspection in the office of the Director of the National Park Service and in the Superintendent's Office of each unit. The boundaries of these units may be revised by the Secretary as authorized in the Acts.

(1) Lake Mead National Recreation Area—The map identified as ''boundary map, 8360–80013B, revised February 1986.

(2) Whiskeytown Unit of the Whiskeytown-Shasta-Trinity National Recreation Area—The map identified as ''Proposed Whiskeytown-Shasta-Trinity National Recreation Area,'' numbered BOR–WST 1004, dated July 1963.

(3) Ross Lake and Lake Chelan National Recreation Areas—The map identified as ''Proposed Management Units, North Cascades, Washington,'' numbered NP–CAS–7002, dated October 1967.

(4) Glen Canyon National Recreation Area—the map identified as ''boundary map, Glen Canyon National Recreation Area,'' numbered GLC–91,006, dated August 1972.

(d) The following excepted units will not be open to mineral leasing:

(1) *Lake Mead National Recreation Area.* (i) All waters of Lakes Mead and Mohave and all lands within 300 feet of those lakes measured horizontally from the shoreline at maximum surface elevation;

(ii) All lands within the unit of supervision of the Bureau of Reclamation around Hoover and Davis Dams and all lands outside of resource utilization zones as designated by the Superintendent on the map (602–2291B, dated October 1987) of Lake Mead National Recreation Area which is available for inspection in the Office of the Superintendent.

(2) *Whiskeytown Unit of the Whiskeytown-Shasta-Trinity National Recreation Area.* (i) All waters of Whiskeytown Lake and all lands within 1 mile of that lake measured from the shoreline at maximum surface elevation;

(ii) All lands classified as high-density recreation, general outdoor recreation, outstanding natural and historic, as shown on the map numbered 611–20,004B, dated April 1979, entitled ''Land Classification, Whiskeytown Unit, Whiskeytown-Shasta-Trinity National Recreation Area.'' This map is available for public inspection in the Office of the Superintendent;

(iii) All lands within section 34 of Township 33 north, Range 7 west, Mt. Diablo Meridian.

(3) *Ross Lake and Lake Chelan National Recreation Areas.* (i) All of Lake Chelan National Recreation Area;

(ii) All lands within ½ mile of Gorge, Diablo and Ross Lakes measured from the shoreline at maximum surface elevation;

(iii) All lands proposed for or designated as wilderness;

(iv) All lands within ½ mile of State Highway 20;

(v) Pyramid Lake Research Natural Area and all lands within ½ mile of its boundaries.

(4) *Glen Canyon National Recreation Area.* Those units closed to mineral disposition within the natural zone, development zone, cultural zone and portions of the recreation and resource utilization zone as shown on the map numbered 80,022A, dated March 1980, entitled ''Mineral Management Plan—Glen Canyon National Recreation Area.'' This map is available for public inspection in the Office of the Superintendent and the office of the BLM State Offices, Arizona and Utah.

§ 3109.30 Shasta and Trinity Units of the Whiskeytown-Shasta-Trinity National Recreation Area.

Section 6 of the Act of November 8, 1965 (Pub. L. 89–336), authorizes the Secretary to permit the removal of oil and gas from lands within the Shasta and Trinity Units of the Whiskeytown-Shasta-Trinity National Recreation Area in accordance with the Act or the Mineral Leasing Act for Acquired Lands. Subject to the determination by the Secretary of Agriculture that removal will not have significant adverse effects on the purposes of the Central Valley project or the administration of the recreation area.

PART 3120—COMPETITIVE LEASES

GENERAL

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