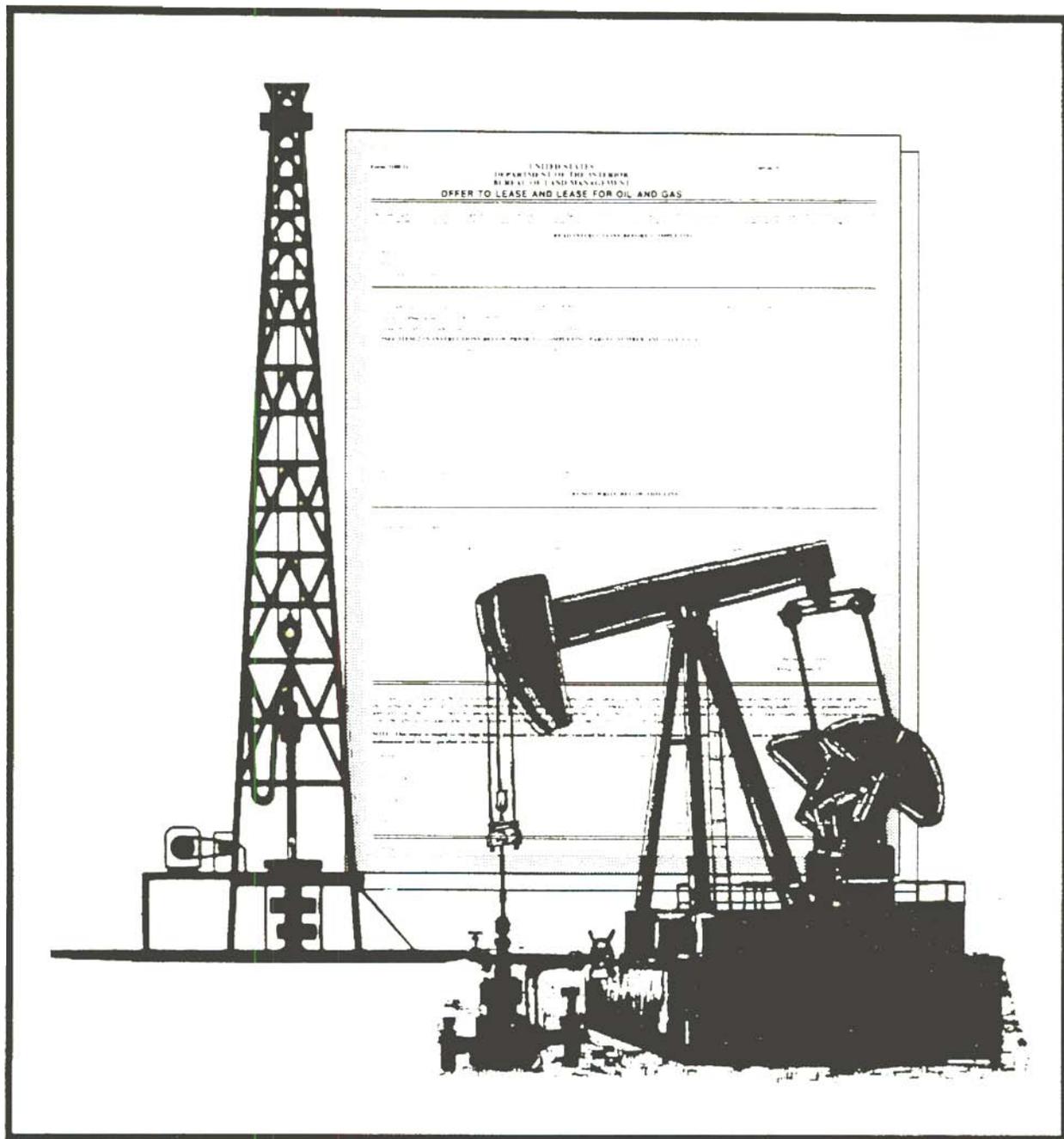




# Oil and Gas Adjudication Handbook

## Noncompetitive Leases Under the Federal Onshore Oil and Gas Leasing Reform Act



BLM MANUAL HANDBOOK 3110-1

Revised 1993

## H-3110-1 - NONCOMPETITIVE LEASES

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Index by Keywords

**H-3110-1 - NONCOMPETITIVE LEASES**Introduction

This Handbook Section provides procedures in accordance with the Mineral Leasing Act of 1920, including the Federal Onshore Oil and Gas Leasing Reform Act of 1987 (Reform Act), enacted on December 22, 1987, for noncompetitive oil and gas leasing of eligible lands (Automated Land and Mineral Record System (ALMRS) Case Recordation in the lower 48 States/Records System Release 1.0 in Alaska Case Types 311121 and 311122). Guidelines concerning the adjudication and issuance of future interest noncompetitive leases (ALMRS Case Types 311123 and 311124) also are provided. This Handbook should be used in conjunction with BLM Manual Section 3110.

Under the Reform Act, which significantly changed the BLM's oil and gas leasing program procedures, lands cannot be leased until they are first offered competitively at an oral auction (see Manual Section 3120 and Handbook 3120-1).

This Handbook Section is not intended for use in processing offers filed before the Reform Act. Guidelines for processing "grandfathered" noncompetitive over-the-counter oil and gas lease offers filed prior to December 22, 1987, are found in BLM Manual Section 3111 and Handbook 3111-1.

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Keywords

I. Lands Available for Noncompetitive Offer and Lease

A. Offers Filed Prior to Competitive Offering of Lands - Presale Offers

PRESALE  
OFFERS

An offer for a noncompetitive oil and gas lease may be filed for available lands prior to a competitive sale and after January 2, 1989, except for lands that are in the one-year period commencing from the date of expiration, termination, relinquishment, or cancellation of a lease, or that are included in an officially posted Notice of Competitive Lease Sale (see Glossary of Terms). A preliminary sale parcel list, which may be made available in the Public Room in some BLM State Offices, is not considered to be an officially posted sale notice. For expired, terminated, relinquished, and cancelled leases, the one-year period begins on the actual date of lease expiration, termination, relinquishment, or cancellation, and not on the date when the records have been noted. Any noncompetitive offer filed during the one-year period following termination, expiration, relinquishment, or cancellation of a lease shall not be held in abeyance or pending status to await the end of the one-year period, but shall be rejected as an improper presale offer.

## H-3110-1 - NONCOMPETITIVE LEASES

KeywordsB. Lease Offers Filed After Competitive Offering of Lands - Postsale OffersPOSTSALE  
OFFERS

1. Beginning on the first business day following the last day of the competitive oral auction, only lands that have been offered competitively under 43 CFR Part 3120, and for which no bids were received, shall be available for a period of 2 years for noncompetitive leasing (see Glossary of Terms). Although some BLM State Offices provide a drop box on the day of the auction for the filing of noncompetitive offers at the conclusion of the sale for those parcels that received no bid (particularly if the auction is held in a city/State other than where the BLM State Office is located), all such offers placed in the drop box shall be considered as simultaneously filed during the first business day following the close of the auction. A noncompetitive lease may be issued for lands contained in such parcels in response to a complete and proper offer filed during this 2-year noncompetitive leasing period.

2. If a noncompetitive lease issues from a postsale offer, and the lease later terminates, is relinquished, or is cancelled at any time during the 2-year period from the date of the oral auction, the lands contained in such lease are available again only by competitive leasing under 43 CFR Part 3120. In accordance with the Reform Act, such lands are not available for noncompetitive leasing under 43 CFR 3110.1(a) during any remaining portion of the 2-year period.

LANDS IN  
TERMINATED,  
RELINQUISHED,  
OR CANCELLED  
POSTSALE LEASE  
AVAILABLE  
AGAIN ONLY BY  
COMPETITIVE  
LEASING PROCESS

## H-3110-1 - NONCOMPETITIVE LEASES

KeywordsII. Lease Offer SizeA. Minimum Lease Offer Size

Where the lands have been surveyed under the rectangular survey system or are within an approved protracted survey, an offer for public domain minerals may not include less than 640 acres or one full section, whichever is larger, in the lower 48 States. In Alaska, offers for public domain minerals may not be less than 2,560 acres or four full contiguous sections, whichever is larger. This minimum lease offer size is required except where the offer includes all available lands within a section and no contiguous lands are available for lease in an adjoining section. Otherwise, the offer must be rejected. (See 43 CFR 3110.3-3(a).)

PUBLIC DOMAIN  
MINIMUM  
LEASE SIZE

The term "contiguous lands" means two parcels of land within the same section, in adjoining sections, or in adjoining townships having a common boundary. Cornering is not considered to be "contiguous lands" (see Illustration 1).

CONTIGUOUS  
LANDS

The leasing regulations provide an exception to the minimum acreage requirement where the offer includes all available lands within the section and no contiguous lands are "available." Two categories of lands are "available," presale-type lands (43 CFR 3110.1(a)(1)) and postsale-type lands (43 CFR 3110.1(b)). The regulations at 43 CFR 3110.1 allow, but do not require, a lease offeror to include presale- and postsale-type lands in the same noncompetitive lease offer. Therefore, any noncompetitive lease offer that contains: (1) the minimum acreage of presale-type lands only; or (2) the minimum acreage of postsale-type lands only; or (3) the minimum acreage with a combination of some presale-type lands and some postsale-type lands, satisfies the minimum acreage requirement of the regulations at 43 CFR 3110.3-3(a). Inclusion of lands from both categories of "available" lands in one lease offer, however, will not necessarily result in issuance of a single lease, as discussed below.

640-ACRE  
MINIMUM RULE

PRESALE-TYPE AND  
POSTSALE-TYPE  
LANDS AVAILABLE

The exception for offers containing less than the minimum acreage shall be applied as follows:

1. If the offer contains all presale-type lands in one full section (four full contiguous sections in Alaska) and no contiguous presale-type lands are available, the offer satisfies the exception even if postsale-type lands are available in the section or are contiguous.

PRESALE  
OFFERS

## H-3110-1 - NONCOMPETITIVE LEASES

Keywords

2. The same applies to an offer containing all postsale-type lands in one full section (four full contiguous sections in Alaska) even if presale-type lands are available in the section or are contiguous; and,

POSTSALE  
OFFERS

3. If the offer contains all the presale-type and postsale-type lands in one full section (four full contiguous sections in Alaska) and no contiguous lands in either category are available, the offer satisfies the exception.

COMBINED  
OFFERS -  
PRESALE AND  
POSTSALE  
LANDS

No minimum lease offer size pertains to an acquired lands minerals noncompetitive oil and gas lease offer.

ACQUIRED LANDS  
MINERALS MINIMUM  
LEASE SIZE

No minimum size requirement pertains to the filing of a petition for a Class III reinstatement for issuance of a noncompetitive lease for oil and gas covering an abandoned oil placer mining claim under the provisions of 43 CFR 3108.2-4. (See Manual Section 3108.24 and Handbook 3108-1.)

CLASS III LEASE  
REINSTATEMENT  
MINIMUM SIZE

## H-3110-1 - NONCOMPETITIVE LEASES

B. Maximum Lease Configuration Limits

The lands in an offer for public domain minerals shall be entirely within an area of 6 miles square or within an area not exceeding six surveyed sections in length and/or width measured in cardinal directions.

An offer to lease acquired lands minerals may exceed the 6-mile square limit if: (1) the lands are not surveyed under the rectangular survey system of public land surveys and are not within the area of the public land surveys; and (2) the tract desired is described by the acquisition or tract number assigned by the acquiring agency and less than 50 percent of the tract lies outside the 6-mile square area. More than one tract may be included in the lease offer. However, less than 50 percent of only one tract in the offer may extend outside the 6-mile square area. (See Excelsior Exploration Corp., 91 IBLA 76 (1986).)

Keywords

PUBLIC DOMAIN  
MAXIMUM LEASE  
CONFIGURATION

ACQUIRED LANDS  
MINERALS  
MAXIMUM LEASE  
CONFIGURATION

## H-3110-1 - NONCOMPETITIVE LEASES

C. Maximum Lease Size

For either public domain or acquired lands minerals, an offer may not include more than 10,240 acres.

If an offer exceeds the 10,240-acre maximum by not more than 160 acres, the offeror shall be granted 30 days from notice, i.e., from receipt of the decision of the excess, to withdraw the excess acreage from the offer, and priority will be retained. The offer must be rejected and priority lost if the excess is not withdrawn (see Illustration 2). If an offer exceeds the 10,240-acre maximum by more than 160 acres, the offer must be rejected. (See 43 CFR 3110.3-3(c).)

KeywordsMAXIMUM LEASE  
SIZELEASE OFFER  
EXCESS ACREAGE

Keywords

III. Description of Lands in Offer

This portion of Handbook 3110-1 provides guidelines for the proper description of lands in noncompetitive lease offers.

LAND  
DESCRIPTION

A. Postsale Offers Filed During Month of Sale

From the first day following the end of the competitive sale until the end of that same month (parcel integrity period; see Glossary of Terms), a noncompetitive lease offer for a parcel included in the sale for which no bid was received must be for the entire parcel, and must describe the lands by the single parcel number appearing in the sale notice. If a legal description also is included and a discrepancy exists between the parcel number and the legal description, the parcel number shall govern.

PARCEL NUMBER  
DESCRIPTION

## H-3110-1 - NONCOMPETITIVE LEASES

KeywordsB. Offers Filed After Parcel Integrity Period and  
During 2-year Period

Any postsale lease offer made after the end of the month in which a sale is held cannot be filed by a parcel number. Such a postsale offer must be filed by the legal land description in accordance with 43 CFR 3110.5-2 and 3110.5-3. Use of the parcel number by itself during the remainder of the 2-year period shall result in rejection of the offer. An offer filed during this timeframe may include all or a portion of a parcel or may include a combination of parcels and must be filed in accordance with 43 CFR 3110.3-3 with respect to minimum lease offer size. If any lands in the parcel are subject to a proper offer filed under 43 CFR 3110.1(a)(1) that was filed prior to the official posting of the Notice of Competitive Lease Sale which includes the described lands, and if the parcel receives no bid at the auction, such a presale offer shall have priority for issuance of a lease on the affected lands over any postsale offer filed after the oral auction.

LEGAL LAND  
DESCRIPTION  
AFTER END OF  
PARCEL INTEGRITY  
PERIOD

## H-3110-1 - NONCOMPETITIVE LEASES

KeywordsC. Public Domain Minerals

- |  |   |
|--|---|
| <p>1. <u>Surveyed Lands</u>. If the lands have been surveyed under the rectangular system of the public land surveys, the lands must be described by legal subdivision, section, township, range, and (if needed) meridian. The smallest legal subdivision that may be included in an offer is a quarter-quarter section (40 acres), unless the offer is for a lot or only a portion of a quarter-quarter section is available.</p>  | <p>PUBLIC DOMAIN<br/>SURVEYED LAND<br/>DESCRIPTION</p>              |
| <p>2. <u>Unsurveyed Lands</u>. Lands not surveyed and/or protracted under the rectangular system of surveys must be described by metes and bounds as set forth in 43 CFR 3110.5-2. A description by legal subdivision that excludes a portion of the subdivision described by metes and bounds is sufficient to satisfy the regulation governing land description of surveyed public domain.</p>   | <p>PUBLIC DOMAIN<br/>UNSURVEYED LAND<br/>DESCRIPTION</p>            |
| <p>3. <u>Protracted Surveys</u>. Where protracted surveys have been approved and the effective date thereof has been published in the <u>Federal Register</u>, all offers to lease lands shown on the protracted surveys, filed on or after the effective date, must describe the lands by legal subdivision, section, township, range, and (if needed) meridian.</p>  | <p>PUBLIC DOMAIN<br/>PROTRACTED<br/>SURVEY LAND<br/>DESCRIPTION</p> |
| <p>4. <u>Conforming Land Descriptions</u>. Where unsurveyed lands covered by pending offers are surveyed prior to lease issuance, the description of such lands must conform to the approved protracted or public land survey, whichever is appropriate. Likewise, the description of lands in an existing lease must be conformed by the BLM to a subsequent resurvey or amended protraction survey, as may be appropriate.</p>   | <p>CONFORMING LAND<br/>DESCRIPTIONS</p>                             |
| <p>5. <u>Lands in Lakebeds and Riverbeds</u>. Lands in lakebeds and riverbeds are available for leasing if the waters were determined to have been nonnavigable at the time of admission of the State into the Union, and the United States is the owner of the abutting uplands, or the lands were patented with a reservation of the oil and gas to the United States. The lands must be described by metes and bounds in the same manner as other unsurveyed lands. (See 43 CFR 3110.5-3(c).)</p> | <p>LANDS IN<br/>LAKEBEDS AND<br/>RIVERBEDS</p>                      |

## H-3110-1 - NONCOMPETITIVE LEASES

Keywords

If the United States is the riparian or upland owner bordering a nonnavigable river, the extent of ownership extends to the medial line of the river. If ownership includes both sides of the riverbed, the United States administers the entire acreage across the river. If the U.S. mineral ownership is divided, i.e., 50 percent on one side and 100 percent on the opposite side, a separate metes and bounds description is required for leasing the portions that are affected by the fractional interests.

Federal leases may be issued for beds of lakes and rivers that invade school sections (e.g., sections 16 and 36 in some States) if the waters were nonnavigable at the time of admission of the State into the Union and if the State has used such lake or river beds as deficiency base for lieu selections. Leases cannot be issued for such beds if the State has not used the bed as base for lieu selections. If it has been determined that the State used the beds of nonnavigable lakes for lieu selection, the BLM State Office must assert its rights by preparing a letter or notice to the State Government Lands Department. However, if the State used the beds of nonnavigable rivers for lieu selection, no further action is necessary.

6. Conversion of Unpatented Oil Placer Mining Claims. A petition for a noncompetitive lease under 43 CFR 3108.2-4 must conform to the requirements of 43 CFR 3110.5 by specifying the proper description of the lands involved in the abandoned unpatented oil placer mining claim.

CLASS III  
REINSTATED  
LEASE -  
CONFORM LAND  
DESCRIPTION

## H-3110-1 - NONCOMPETITIVE LEASES

KeywordsD. Acquired Lands Minerals

1. Surveyed Lands. If the lands have been surveyed under the rectangular system of public land surveys, the lands must be described by legal subdivision, section, township, range, and meridian. In some BLM State Office jurisdictions, however, there may be only one meridian within a given State. In such a case, clarity of the description can be achieved without inclusion of the meridian, and rejection would not result from its omission. Where the lease offer description cannot be conformed to the public land surveys, any boundaries of the offer that do not conform must be described in the offer by metes and bounds giving courses and distances between the successive angle points with appropriate ties to the nearest existing official survey corner (see 43 CFR 3110.5-3(b)). If the desired lands in the acquired tract are not surveyed under the rectangular system of public land surveys but are within an area of public land surveys, the lands must be described by metes and bounds, giving courses and distances between the successive angle points on the boundary of the tract, and connected, if possible, with an official corner of the public land surveys.

ACQUIRED LANDS  
MINERALS  
SURVEYED LAND  
DESCRIPTION

2. Unsurveyed Lands. If the lands have not been surveyed under the rectangular system of public land surveys, the lands must be described in the offer as in the deed or other document by which the U.S. acquired title to the lands or minerals. (See 43 CFR 3110.5-3(b) and (c).)

ACQUIRED LANDS  
MINERAL  
UNSURVEYED LAND  
DESCRIPTION

The acreage in some tracts acquired by the U.S. may be larger than that permitted to be included in a single lease, or a portion of the minerals in the acquired tract may not be available for leasing. In that event, the available land must be described in the offer by courses and distances between successive angle points on its boundary, tying by course and distance into the description in the deed or other document by which the U.S. acquired title to the land. Enclosure with the offer of a clear copy of the deed or other acquiring document, as referenced in the offer as to the applied for land description, is acceptable although not required. Without loss of priority, the applicant subsequently may be required to submit the deed or conveyance document if it is needed to complete the processing of the offer. If the offeror submits a clear copy of the deed in lieu of providing a land description in the offer and clearly identifies the applied for lands on the deed, it is not necessary to require the offeror to redescribe in the offer that portion of the boundary contained and described in the deed by metes and bounds.

## H-3110-1 - NONCOMPETITIVE LEASES

Keywords

If an error exists in the land description on the deed or conveyance document, the offeror cannot be held responsible for the error or its effect on the validity of the land description in the lease offer. The offeror need not correct any such error. If an error in the deed exists and the offeror recognizes the error and does compensate for the error in the deed description with an accompanying explanation in the offer description, the offer shall be acceptable, although further clarification may be required by the BLM State Office without loss of priority to the offeror. Because the BLM must rely on the deed, the offeror must note in the offer that such an error has been corrected. If the offeror fails to do so, or includes in the offer an erroneous correction to the deed description that does not conform to the land description in the deed, the offeror is to be allowed 30 days, without loss of priority, to furnish proper corrections to the deed description and to explain how, in turn, the corrections affect non-deed portions of the land description.

DEED OR  
CONVEYANCE  
DOCUMENT  
ERROR IN LAND  
DESCRIPTION

If an error is discovered in the land description for an offer filed on a portion of an acquired tract, the BLM shall allow the offeror 30 days in which to correct the error, without loss of priority. The time may be extended by the BLM authorized officer for a reasonable period, to allow the offeror to demonstrate that the error was in the deed or conveyance document or solely attributable to it. If this cannot be shown, the offer must be rejected.

LAND  
DESCRIPTION  
ERROR IN OFFER

An offeror is responsible for furnishing sufficient rental as required by 43 CFR 3103.2-1(a), or the offer shall be rejected.

If an offeror for an entire acquired lands minerals tract submits a copy of the deed with the offer and also redescribes in the offer the lands in the deed, and in doing so makes an error in transcription, the requirement for an acceptable description is satisfied because the copy of the deed is included with the offer.

DEED OR  
CONVEYANCE  
DOCUMENT  
SUBMITTED

## H-3110-1 - NONCOMPETITIVE LEASES

Keywords

For lands not within a rectangular survey, the deed description is to be relied on to the extent possible when less than the entire acquired tract is applied for in the lease offer. Any new boundary created to separate the part of the tract applied for from the rest of the tract is to be described by metes and bounds, giving courses and distances between successive angle points and tied to the deed, as appropriate. The tie-ins must be properly described by courses and distances. The offeror is responsible for identifying the boundary of the lands applied for in the offer. It is not necessary to redescribe the deed portion of the boundary in the offer if a copy of the deed is included and the offer is clearly noted to indicate that the applied-for lands are as in the deed and the tie-ins are made clear in the offer or the attachment to the offer. If errors exist in the land description, the error must be shown to be in the deed or solely attributable to it, or the application will be rejected.

Meander lines are not acceptable in a land description unless and except as they appear in the deed. In certain instances on nonnavigable bodies of water, a meander line could become a fixed boundary. In such a case, a description in the offer of this fixed boundary as shown on the survey plat may be needed in order to define the leasable acreage.

MEANDER  
LINES

3. Acquisition or Tract Number. Where the acquiring agency has assigned an acquisition or tract number covering the lands applied for, the BLM authorized officer may require that number in addition to any description otherwise required in the offer without loss of priority to the offeror. If the authorized officer determines that the acquisition or tract number, together with identification of the State and county, constitutes an adequate description, the authorized officer may allow the description in this manner in lieu of other descriptions required in the offer.

ACQUISITION  
OR TRACT  
NUMBER

For the present, unit numbers, tract numbers, and parcel numbers shall all be considered acquisition numbers within the meaning of the regulations. Failure to include line numbers, case numbers, or any other such designations in the offer shall be considered a curable defect and shall not result in loss of priority of the offer. In any case, if the offeror submits written documentation that an acquisition number was requested from the acquiring agency and the offeror was advised that none existed, the offer shall be deemed to have met the regulatory requirements.

## H-3110-1 - NONCOMPETITIVE LEASES

KeywordsMAP  
REQUIREMENTS

4. Map Requirements. Offers submitted in the manner as discussed in Sections III.D.2 and 3, above, must be accompanied by three copies of a map upon which the desired lands are clearly marked, showing the location of the lands with respect to the administrative unit or project of which they are a part. Failure to submit the maps, or sufficient quantities of the map, is a curable defect and priority of the offer is retained. Allow a 30-day compliance period for correct of this curable defect. Provided the acquisition or tract number is shown when required, if the map is in error (any or all copies) and the land description of the offer is proper or, conversely, when the land description is flawed but the description can be clearly noted based on the map and its annotations, the offeror has 30 days to correct the error or map omission.

When applying for any lease for acquired lands minerals, the offeror need not apply for only those lands within the acquired tract that are available for leasing. It is the responsibility of the lessor (BLM) to determine which lands within the acquired tract are available, to describe them on the lease, and reject the remaining. Lessees are responsible only for properly describing the outer boundary of the applied-for lands.

## H-3110-1 - NONCOMPETITIVE LEASES

KeywordsE. Accreted Lands

The description of lands by legal subdivision, including lots, does not include any land that may have accreted to the legal subdivision or lot. The accreted land must be described by metes and bounds, giving courses and distances between the successive angle points on the boundary of the tract, and connected by courses and distances to an angle point on the perimeter of the tract or subdivision to which the land has accreted.

ACCRETED  
LANDS

## H-3110-1 - NONCOMPETITIVE LEASES

KeywordsF. Conflicting Description Among Copies of OfferCONFLICTING  
DESCRIPTION  
ON COPIES  
OF OFFER

1. Controlling Offer Form. If the original and two copies of the offer form are not identical, that form marked with the date and time of receipt in the proper BLM office is controlling. The BLM Manual Section 1274.12 states: "Date and Time Stamping. The exact date and time received are stamped on the original of the filing that becomes the case file copy. If applicant supplies an extra copy, it may be date and time-stamped and returned to applicant." The correct legal description of the leased lands is to be inserted on all copies of the lease prior to execution (signature) by the BLM authorized officer.

2. Unsurveyed Land Description. If the land description provided by the offeror for unsurveyed lands is acceptable but inappropriately described, i.e., is not described by the current BLM standards, the offer is to be properly redescribed by the BLM before approval for lease issuance.

H-3110-1 - NONCOMPETITIVE LEASES

Keywords

IV. Lease Offer Requirements

The lease offer shall be made on the current BLM-approved form (Form 3100-11), or on unofficial copies of the current form (see Illustration 3). Copies shall be exact reproductions on one page of both sides of the official approved form, without additions, omissions, or other changes, or advertising. The original copy of each offer must be typewritten or plainly printed in ink and manually signed in ink by the offeror or the offeror's duly authorized agent. The offer shall be accompanied by the first year's advance rental and a nonrefundable filing fee of \$75.

CURRENT LEASE  
OFFER FORM

The original and two copies of each offer to lease with each copy showing evidence of having been signed shall be filed in the proper BLM State Office. Only the original of the offer must be actually signed; the other two copies may show carbon reproductions or duplications of the signature. The offer should be dated, but failure to date is not cause for rejection. The critical date of an offer is the date that it is filed in the proper BLM office.

ORIGINAL AND  
TWO COPIES  
OF LEASE FORM  
REQUIRED

The mineral status of the lands described by the offeror in Item 2 on the lease offer form will control the type of lands, either public domain minerals or acquired lands minerals, being requested. If the lands described in Item 2 all have the same mineral status, and no box is checked, both boxes are checked, or the wrong box is checked, the offer is to be viewed as acceptable with the BLM correcting the mineral status boxes. If, however, the land description in Item 2 on the form is a mix of public domain minerals and acquired lands minerals, and only one box is checked, both boxes are checked, or neither box is checked, the offer must be returned for correction with a loss of priority in accordance with 43 CFR 3110.4.

MINERAL STATUS  
BOX ON OFFER  
FORM - PUBLIC  
DOMAIN OR  
ACQUIRED LAND  
MINERALS

A lease offer may not include both public domain and acquired lands minerals. There are instances when the surface is acquired lands but contains public domain minerals. The agency from which consent to lease is required should be named by the offeror on the form (see Illustration 4, Page 1, Item 2). However, inclusion of the agency information on the lease offer form is not mandatory for a noncompetitive offer and will not result in a loss of priority. (See Manual Section 3110.43A4.)

IDENTIFICATION  
OF ACQUIRING  
AGENCY

## H-3110-1 - NONCOMPETITIVE LEASES

Keywords

Curative submissions will be accepted before final action is taken on a lease offer if the offeror amends, modifies, or takes other measures to correct or complete a defective filing. For example, the offeror may discover that a typographical error was made by describing the land as the W2E2, where the only land available for lease is the E2E2. If the offer has not yet been rejected by the BLM authorized officer, the offeror may file an amendment by filing a complete new offer with the lease offer form marked "AMENDED OFFER." Priority shall be established when the amended offer is filed. No new filing fee needs to be submitted (see Departmental Decision A-30741, William A. Stevenson, May 29, 1957).

CORRECTIONS OR  
AMENDMENTS TO  
OFFER BY  
OFFEROR

As ruled by the Interior Board of Land Appeals (IBLA) in Gian R. Cassarino, 78 IBLA 242, (91 I.D. 9 (1984)), if an offer has been rejected by the BLM, an offer cannot be cured or resuscitated with a new priority by the submission of new material.

The Mineral Leasing Act authorizes the issuance of leases to citizens of the United States, associations (including partnerships and trusts) of such citizens, and corporations organized under the laws of the U.S. or any State or Territory thereof (see 43 CFR 3102.1, Manual Section 3102, and Handbook 3102-1). A lease offer may be received showing more than one name with a percentage of unequal portions, e.g., John Doe with 60 percent and Jane Doe with 40 percent interest. An offer for a lease by two or more persons is prima facie an offer by an "association" within the meaning of Section 27 of the Mineral Leasing Act (see Edward Lee, 515 I.D. 299 (1925)). Thus, the offer is acceptable and is to be treated as an association. However, both parties must sign the offer Form 3100-11 certifying as to qualifications by each to hold the lease as members of the association.

WHO MAY HOLD  
LEASES

Another means of holding a lease is by joint tenancy, whereby the offerors call themselves "John Doe and Jane Doe, Joint Tenants." In this situation, the BLM recognizes each tenant as owning a proportionate share of the lease, as if each were a co-lessee. Again, each person must sign the lease offer Form 3100-11. (See Handbook 3102-1 and Turner C. Smith, Jr., Signe Smith, 89 I.D. 386 (1982).)

JOINT TENANTS

## H-3110-1 - NONCOMPETITIVE LEASES

Keywords

An offer received from an entity identified as "John Doe and Jane Doe, d/b/a Doe Enterprises" is indication of a sole proprietorship. A sole proprietorship may not hold a lease. However, in the case of "Doe Enterprises," if the lease offer Form 3100-11 was signed by both John Doe and Jane Doe, the offer is acceptable since it is possible to determine the full names of the offerors; the "Doe Enterprises" is surplusage (see McClain Hall, Arthur R. Frank, 61 IBLA 202 (1982)).

SOLE  
PROPRIETORSHIP  
MAY NOT HOLD  
A LEASE

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## H-3110-1 - NONCOMPETITIVE LEASES

KeywordsV. Rental DeficiencyA. Lease Issuance After Deficiency Paid

If the first year's advance rental for an offer is deficient by not more than 10 percent or \$200, whichever is less, the offer is acceptable and retains its original priority date, all else being regular. The rental deficiency shall be paid before the lease is issued. The full payment of the first year's advance rental is required prior to issuance of the lease by the BLM in order to ensure that a valid lease is entered in the Minerals Management Service (MMS) Data Management Division (DMD) automated system. That is, do not send the lease account information to the MMS-DMD until the full first year's advance rental has been received.

RENTAL  
DEFICIENCY

When the first year's rental is deficient by not more than 10 percent or \$200, whichever is less, prepare a decision advising that the rental deficiency must be paid within 30 days. If the deficient first year's rental is not paid within the time allowed, the offer is to be rejected without further notice with the \$75 filing fee retained (see Illustration 5). Following the 30-day appeal period, if the lands were offered in a competitive lease sale and no bid was received and there are no other remaining offers, the lands remain available for noncompetitive leasing for the remainder of the 2-year period.

RETAIN  
\$75 FILING FEE

There may be some instances where a lease with a rental deficiency has been issued under penalty of cancellation if the rental deficiency is not timely paid in response to a decision. However, in Arden R. Grover, John R. Schumacher, 73 IBLA 308 (1983), the IBLA ruled that the offer should have been rejected and the rental returned in compliance with Section 304(c) of the Federal Land Policy and Management Act because the lessees did not derive any benefit from possession of the lease.

RENTAL PAYMENT  
RETURNED IF  
DEFICIENCY NOT  
TIMELY PAID AFTER  
LEASE ISSUANCE  
AND CANCELLATION

## H-3110-1 - NONCOMPETITIVE LEASES

B. Rental Change Due to Acreage Miscalculation

When an increase in the parcel acreage results from a miscalculation by the BLM, causing the parcel acreage to be greater than that indicated in the Notice of Competitive Lease Sale, send a decision to the lessee to request the additional monies to meet the minimum rental amount of \$1.50 per acre or fraction thereof (see Illustration 6). The decision shall include a provision that allows the lessee to request a rejection of the offer if the lessee does not want the lease due to the modified acreage. If the lessee requests rejection of the offer, a full refund of the rental and the \$75 filing fee shall be authorized by the BLM since the error was the fault of the Government. The regulations specify in 43 CFR 3103.2-1(b) that if the acreage in the Notice of Competitive Lease Sale is incorrectly indicated, payment of the additional rental based on the error is curable within 15 calendar days of receipt of the BLM notification.

KeywordsACREAGE  
MISCALCULATION  
BY BLM

## H-3110-1 - NONCOMPETITIVE LEASES

C. Rental Change Due to Resurvey and Acreage AdjustmentKeywords

When a corrected acreage is due to a resurvey, any increase or decrease in the acreage shall require a change in the rental amount, beginning with the next lease anniversary date. If the resurvey decreased the acreage, no rental refund shall be made since the acreage in the parcel when the competitive sale was held was based on the "correct" survey/status of the lands at that time and was not a BLM error when the oral auction was held. Similarly, if the resurvey increased the acreage, no additional first year's advance rental shall be requested. In such cases, transmit an accounting advice to the MMS-DMD to reflect the changed lease acreage because of the resurvey, to ensure that the MMS-DMD issues the courtesy billing notice for the changed acreage for the next annual rental cycle. The acreage for the parcel as indicated in the Notice of Competitive stands for the entire 2-year period unless a public notice is issued advising the public of the corrected acreage. Such a notice is to be posted in the BLM State Office Public Room for a period of at least 45 days.

ACREAGE  
ADJUSTMENT  
DUE TO  
RESURVEY

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## H-3110-1 - NONCOMPETITIVE LEASES

KeywordsVI. Priority of OfferA. Presale Offers

If any lands in a parcel when officially posted for competitive sale are subject to a proper presale noncompetitive offer and the parcel receives no bid at the oral auction, the presale offer shall have priority for issuance of a lease on the affected lands over any offers filed subsequent to the oral auction.

PRESALE OFFER  
PRIORITY  
PROCEDURE

If more than one presale offer is filed on the same lands, the priority of such offers shall be as of the date and time of filing as specified in 43 CFR 1821.2-3(a).

## H-3110-1 - NONCOMPETITIVE LEASES

**B. Postsale Offers**Keywords

1. Any postsale noncompetitive offers that are received during the first business day following a competitive sale for a parcel that received no bid at the sale shall be deemed simultaneously filed, and shall earn priority in accordance with a public drawing as specified in 43 CFR 1821.2-3(b).

POSTSALE  
OFFER  
PRIORITY  
PROCEDURE

2. If a postsale noncompetitive offer was properly filed during the first business day following the oral auction, but was inadvertently omitted from the drawing held for that parcel, a new drawing must be held to include the omitted offer. The new drawing must consist of the omitted offer and blank offers equal to the number of offers that were included in the first drawing. Post a notice in the State Office Public Room to serve notice of the omitted offer and to notify interested parties of the pending reselelection (see Illustration 7).

OFFER OMITTED  
FROM DRAWING

2a. If No Lease Has Been Issued. Prepare a notice indicating the specific date the reselelection will be held. Describe in the notice the process that will be used to determine priority as a result of the reselelection due to the omitted offers. Post the notice in the State Office Public Room. Also, file a copy of the notice with each offer affected by the pending reselelection (see Illustration 8). If no lease had been issued when the omitted offer was discovered and the omitted offer is selected, the omitted offer shall displace the offer that was selected in the original drawing. If the omitted offer is not selected in the reselelection, the results of the original drawing shall stand.

RESELECTION  
PROCESS FOR  
OMITTED OFFER  
WHEN NO LEASE  
HAS YET ISSUED

## H-3110-1 - NONCOMPETITIVE LEASES

Keywords

2b. Lease Has Been Issued. Prepare a notice indicating the specific date the reselection will be held. Describe in the notice the process that will be used to determine priority as a result of the reselection due to the omitted offers. Indicate in the notice that the lease that already has been issued may be subject to cancellation as a result of the reselection process. Post the notice in the State Office Public Room. Also, file a copy of the notice with each offer affected by the pending reselection (see Illustration 8). Prepare a letter to the lessee explaining the situation (see Illustration 9), enclosing a copy of the notice. Send the letter via certified mail. If the omitted offer is not selected in the reselection, the results of the original drawing shall stand. However, if the omitted offer is selected in the new drawing, it shall displace the existing offer/issued lease that had priority in the original drawing, excluding any rights held by a bona fide purchaser under the Act of September 21, 1959 (30 U.S.C. 184(h)(2) (1982)). (See Manual Section 3108.4.) Prepare a decision to cancel the lease issued as a result of the original drawing, allowing 30 days for evidence to be submitted that a bona fide purchaser existed prior to the discovery of the omitted offers (see Illustration 10). If evidence of a bona fide purchaser is not submitted within the time allowed, cancel the lease without further notice, and authorize a refund of the first-year's advance rental.

RESELECTION  
PROCESS FOR  
OMITTED OFFER  
WHEN LEASE HAS  
ALREADY ISSUED

3. If more than one postsale noncompetitive lease offer is filed on the same lands subsequent to the first business day after the sale and during the remainder of the 2-year period, the priority of such offers shall be as of the date and time of filing as specified in 43 CFR 1821.2-3(a).

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## H-3110-1 - NONCOMPETITIVE LEASES

KeywordsVII. Noncompetitive Presale OffersA. Noncompetitive - Presale Offers Filed on Public Domain or Acquired Lands MineralsPRESALE  
OFFERS FILED  
UNDER 43 CFR  
3110.1(a)(1)

This portion of the Handbook provides guidelines for the proper description of lands in noncompetitive presale oil and gas lease offers (see Glossary of Terms). Regulation 43 CFR 3110.1(a)(1) specifies that after January 2, 1989, a noncompetitive (presale) offer may be filed on unleased lands except for: (1) those lands that are in the one-year period commencing upon the expiration, termination, relinquishment, or cancellation of the previous lease(s) containing the lands, and (2) those lands included in an officially posted Notice of Competitive Lease Sale. (See Section I, above, for further criteria concerning such presale offers.)

Noncompetitive presale offers shall be exposed to competitive bidding under 43 CFR Part 3120 and, if no bid is received, a noncompetitive lease shall be issued to the presale offeror, all else being regular.

## H-3110-1 - NONCOMPETITIVE LEASES

KeywordsB. Priority EstablishedPRIORITY  
ESTABLISHED

The priority of a presale offer received shall be determined as of the time and date the offer is filed in the proper BLM State Office. Simultaneously filed presale offers are those filed on some or all of the same lands, and when such offers are received either in the State Office Receiving and Accounts mail slot prior to the Public Room hours, or by the first regular mail delivery of the day, or in the same courier mail delivery. Priority of the offers, to the extent of the conflicts between them, shall be determined by a drawing in accordance with 43 CFR 1821.2-3. If the first drawn offeror fails to comply with all requirements within the specified time, the offer must be rejected. Following the 30-day appeal period, if no appeal is filed, the next offer in priority is to be considered.

Presale offers may receive certain corrections submitted by the offeror or made at the request of the BLM authorized officer. Depending on the nature of the correction, priority either will be retained or is given at the time the correction has been made (see Manual Section 3110.43).

## H-3110-1 - NONCOMPETITIVE LEASES

C. Action on Presale Lease Offer

Responsible Official	Step	Action	Keywords
Receiving Official	1.	Receive offer Form 3100-11. Check that offer is on current form and correct number of copies (original and two) are filed, with sufficient rental and \$75 filing fee. (See 43 CFR 3103.2-1 and 3103.2-2, Manual Section 3110.42, and Section V, above.)	PRESALE OFFER RECEIVED
	2.	Date and time stamp at least one copy of offer form, preferably the copy with the original signature (see Section III.F, above).	
	3.	Assign serial number and validate filing fee.	
	4.	Prepare accounting advice and place two copies (green and goldenrod) in case file.	
	5.	Send case file through Docket to official responsible for ALMRS Entry.	
ALMRS Entry	6.	The following indicates the most common action code(s) to be utilized. Reference is to be made to the current Data Standards for Oil and Gas Lease Case Types and the current Data Element Dictionary for additional requirements.	AUTOMATED NOTATION
	6a.	Establish the case in ALMRS (Case Type 311121 for present interest public domain minerals or Case Type 311122 for present interest acquired lands minerals; for future interest minerals, use Case Types 311123 or 311124).	
	6b.	Enter Action Date (MANDATORY ACTION CODE): Date offer received; DE 1775 Action Code 001/DE 2910 Action Code 124; Action Remarks: Enter the time offer received, i.e., #0130 (optional).	

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible Official	Step	Action	Keywords
	7	Send case file to Title Records, as appropriate, for notation on oil and gas plats/status records.	
Title Records	8.	Note offer on oil and gas plats/status records (or other appropriate records).	RECORDS NOTATION
	9.	Route case file to Adjudication through Docket.	
ALMRS Entry	10.	If all or part of lands are a presale offer:  Enter Action Date (MANDATORY ACTION CODE): Date presale offer is received; DE 1775 Action Code 041/DE 2910 Action Code 128.  <u>NOTE:</u> This code is used only in conjunction with DE 1775 Action Code 001/DE 2910 Action Code 124.	AUTOMATED NOTATION
Adjudication	11.	Sort offers by township and range and determine if there is a conflict that requires a public drawing.	
	12.	Adjudicate offer, checking for the following:  Proper lease offer form and sufficient number of copies, i.e., original and two copies, with each copy showing evidence of having been signed. An offer to lease must be made on the current BLM-approved Form 3100-11 or on unofficial copies of the current form. (See Manual Section 3110.74.)  12b. Original offer form must be manually signed. Failure to date the lease offer is not a fatal deficiency.	ADJUDICATE PRESALE OFFER

## E-3110-1 - NONCOMPETITIVE LEASES

Responsible Official	Step	Action	Keywords
	12c.	<p>Proper rental was received in accordance with 43 CFR 3103.2. (See Manual Section 3110.42 and Section V, above.)</p> <p>Ensure that lands are available and are described correctly. (See Sections I.A. and III.)</p> <p>Apply the 640-acre rule. (See Sections II.A and II.B.)</p> <p>Verify that the lands have not been through the competitive process within the past 2 years. (If the lands have been through the competitive process within the past 2 years, refer to Sections IX, X, or XI, as applicable.)</p> <p>If the presale offer contains lands greater than the maximum acreage allowed for competitive lease as specified by the Federal Onshore Oil and Gas Leasing Reform Act (2,560 acres in the lower 48 states and 5,760 acres within Alaska), split the offer into parcels as compact as possible not exceeding the maximum allowable acreage.</p> <p>Include lands in the offer in the next possible competitive sale notice in accordance with Handbook 3120-1. Indicate in sale notice those parcels with presale noncompetitive offers.</p> <p><u>OPTIONAL</u>: Acknowledge presale offeror by mail indicating which sale notice includes the parcel.</p>	ACKNOWLEDGEMENT OF PRESALE OFFER

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible Official	Step	Action	Keywords
	13.	After competitive oral auction has been held, if no bid is received for parcel, check the oil and gas plats/status records (or other appropriate records) for unit/communitization agreements (CA's) that may have been approved since the Notice of Competitive Lease Sale was officially posted.	CHECK FOR UNITS/CA'S
		If lands in the offer are within the boundaries of a unit, offeror must submit either evidence of joining the unit or a letter from the unit operator stating that the unit operator has no objection to lease issuance without unit joinder (see Illustrations 11 and 12).	LANDS WITHIN UNIT/UNIT JOINDER
		If lands in the offer are within the boundaries of a CA, offeror must submit evidence of joinder. Unlike Federal units, lessees cannot operate independently in a Federal CA.	LANDS WITHIN CA - JOINDER REQUIRED
		If part of lands in the presale offer are inside the boundary of a unit/CA that was approved after the sale notice was officially posted, segregate the offer and request joinder for the offer that is within the agreement boundaries.	
ALMRS Entry	14.	Enter Action Date: Date additional information requested; DE 1775 Action Code 112/DE 2910 Action Code 104; Action Remarks: Unit/CA joinder requested from offeror. Use in conjunction with DE 1775 Action Code 113/DE 2910 Action Code 103 when additional information is received.	AUTOMATED NOTATION

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible Official	Step	Action	Keywords
Adjudication	15.	Issue noncompetitive lease to priority presale offeror, in accordance with the procedures described in Section X.B, if lands are not bid on at oral auction, (see Illustration 13 for example ALMRS Case Recordation Serial Register Page/Case Abstract).	
	16.	Reject any nonpriority offers in accordance with the procedures described in Section X.C.	REJECT OFFERS
Docket	17.	File case file for issued lease with active files.	

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## H-3110-1 - NONCOMPETITIVE LEASES

VIII. Noncompetitive Postsale Offers Filed Day After the SaleA. Action For Receiving Offer

Responsible Official	Step	Action	Keywords
Receiving Official	1.	Receive offer Form 3100-11. Check that offer is on current form and correct number of copies (original and two) are filed, with sufficient rental and \$75 filing fee. (See 43 CFR 3103.2-1 and 3103.2-2, Manual Section 3110.42, and Section V, above.)	POSTSALE OFFER FILED DAY AFTER SALE UNDER 43 CFR 3110.1(b)
	2.	Date and time stamp at least one copy of offer form, preferably the copy with the original signature (see Section III.F, above).	
	3.	Assign serial number and validate filing fee.	
	4.	Prepare accounting advice and place two copies (green and goldenrod) in case file.	
	5.	Send case file through Docket to official responsible for ALMRS Entry.	
ALMRS Entry	6.	The following reflects the most common action code(s) to be utilized. Reference is to be made to the current Data Standards for Oil and Gas Lease Cases and the current Data Element Dictionary for additional requirements.	AUTOMATED NOTATION
	6a.	Establish the case in ALMRS (Case Types 311121 or 311122 for present interest; for future interest, use Case Types 311123 or 311124).	
	6b.	Enter Action Date (MANDATORY ACTION CODE): Date offer received; DE 1775 Action Code 001/DE 2910 Action Code 124; Action Remarks: Enter parcel number (optional).	

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible Official	Step	Action	Keywords
	7	Send case file to Title Records, as appropriate, for notation on oil and gas plats/status records.	
Title Records	8.	Note offer on oil and gas plats/status records (or other appropriate records).	RECORDS NOTATION
	9.	Route case file to Adjudication through Docket.	
Adjudication	10.	All offers received the day after the sale shall be considered simultaneously filed as of the date specified in the sale notice. (See Section VI.B.1.)	PRIORITY ESTABLISHED
	11.	Sort offers by parcel number and, if conflicting offers occur for any parcel, establish priority by public drawing.	
ALMRS Entry	12.	Enter Action Date (MANDATORY ACTION CODE): Date offer received day after sale; DE 1775 Action Code 016/DE 2910 Action Code 129; Action Remarks: Enter number of offers received for the parcel, including the offer that matures into an issued lease.	AUTOMATED NOTATION
Adjudication	13.	Adjudicate each priority offer checking for the following:  Proper lease offer form and sufficient number of copies, i.e., original and two copies, with each copy showing evidence of having been signed. An offer to lease must be made on the current BLM-approved Form 3100-11, or on unofficial copies of the current form. (See Manual Section 3110.74.)  Original offer form must be manually signed. Failure to date the lease offer is not a fatal deficiency.	ADJUDICATE OFFERS RECEIVED DAY AFTER THE SALE

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible Official	Step	Action	Keywords
	13c.	Proper rental was received in accordance with 43 CFR 3103.2. (See Manual Section 3110.42 and Section V, above.)	
	13d.	Offer is for an entire single parcel and is described by the parcel number as it appeared in the sale notice. If a legal description also is included, and a discrepancy exists between the parcel number and the legal description, the parcel number shall govern (see Section III.A).	
		Note that failure to check the public domain or acquired box on the lease form (Form 3100-11), or checking the wrong box is not a fatal deficiency (see Section IV).	
		Check oil and gas plats/status records for units/CA's that may have been approved since the sale notice was officially posted.	CHECK FOR UNITS/CA'S
		If lands in the offer are within the boundaries of a unit, the offeror must submit either evidence of joining the unit or a letter from the unit operator stating that the unit operator has no objection to lease issuance without unit joinder (see Illustrations 11 and 12).	LANDS WITHIN UNIT/UNIT JOINDER
		If lands in the offer are within the boundaries of a CA, offeror must submit evidence of joinder. Unlike Federal units, lessees cannot operate independently in a Federal CA.	LANDS WITHIN CA' - JOINDER REQUIRED

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible Official	Step	Action	Keywords
ALMRS Entry	14.	Enter Action Date: Date additional information requested; DE 1775 Action Code 112/DE 2910 Action Code 104; Action Remarks: Unit/CA joinder requested from offeror. Use in conjunction with for DE 1775 Action Code 113/DE 2910 Action Code 103 when additional information is received.	AUTOMATED NOTATION

## H-3110-1 - NONCOMPETITIVE LEASES

B. Action For Processing Offer for Approval

Responsible Official	Step	Action	Keywords
Adjudication	1.	Prepare offer form (Form 3100-11) for lease issuance. Add land description on lease form by typing it in Item 3, or by an attachment to the lease form.	PROCESS LEASE OFFER
	2.	Attach all required stipulations and the Notice to Lessee concerning Mineral Leasing Act (MLA) Section 2(a)(2)(A) restrictions with respect to assignments/transfers of oil and gas leases from certain Federal coal lease holders (see Illustration 14).	
	3.	When a stipulation is added, deleted, or revised after the official posting of the sale notice but prior to the issuance of a noncompetitive lease, use the following steps:	STIPULATION CHANGES, ADDITIONS, AND DELETIONS
	3a.	If the stipulation revision, addition, or deletion would increase the value of the parcel, withdraw the parcel from the sale notice and readvertise for offering at a future auction in a subsequent sale notice with all the correct stipulations.	
	3b.	Return any postsale noncompetitive offer with all monies refunded (first year's advance rental and filing fee).	
	3c.	If it is determined that the stipulation change would not increase the value of the parcel, the lands continue to be available for noncompetitive offer during the 2-year period. However, before issuing a noncompetitive lease, post a notice for 45 days in the State Office Public Room and at the appropriate local BLM Field Office to advise the public of the specific stipulation change, addition, or deletion.	

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible Official	Step	Action	Keywords
		If no adverse public response is received during the 45-day period, send a notice to the offeror providing a 30-day period to sign the specific changed or added stipulation (see Illustration 15).	
		If the offeror accepts the revised or added stipulation, continue to process the lease to issuance as described below.	
	3f.	If the offeror refuses to sign the stipulation change, refund all monies (first year's advance rental and filing fee).	STIPULATION CHANGE REFUSED - REFUND ALL MONIES
	3g.	If a second priority offer exists, provide that party 30 days by notice in which to sign and accept the revised or added stipulation.	
	3h.	If all the remaining offerors refuse to accept the lease, the lands remain available for noncompetitive leasing with the changed stipulation for the remainder of the 2-year period.	
	3i.	If adverse public response is received, handle the response as if it were a protest. That is, if the BLM agrees with the adverse response, the BLM is to withdraw the land. Refund to the offeror all monies, including the \$75 filing fee, and give the offeror the right of appeal.	
	3j.	If the adverse response (protest) is denied, offer the lease to the offeror with the changed stipulation as described above, and give the protestant the right of appeal.	
	3k.	If an appeal is filed, notify the offeror of the pending appeal.	

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible Official	Step	Action	Keywords
	4.	If a unit/CA is involved and notice has been received of acceptance of joinder, a lease may be issued.	
	4a.	If part of lands in the offer are outside the boundary of a unit/CA that was approved after the sale notice was officially posted, segregate into two parcels and request joinder for the parcel that is within the agreement boundaries (see Step VIII.A.13g, above, and Illustration 11).	
	5.	If additional rental is required (nominal rental deficiency), prepare a decision requesting the necessary amount (see Section V, above, and Illustration 5.)	
ALMRS Entry	6.	Enter Action Date: Date monies requested; DE 1775 Action Code 082/DE 2910 Action Code 106; Action Remarks: Indicate amount and purpose.	AUTOMATED NOTATION
	7.	Enter Action Date: Date monies received; DE 1775 Action Code 083/DE 2910 Action Code 392; Action Remarks: Indicate amount and purpose.	
Adjudication	8.	Stamp "Original" or "File" on the originally signed lease offer form for the case file.	LEASE COPIES DESIGNATED
	8a.	Stamp "Lessee" on the first copy of lease offer. Stamp second copy for the surface management agency (SMA), as appropriate.	
	9.	After receipt of total first year's rental due, complete the accounting advice (see Illustration 16). If lands are located in two or more counties, enter exact acreage located in each county.	ACCOUNTING ADVICE COMPLETED
	10.	Prepare routing slip and records worksheet. Route lease for signature by the BLM authorized officer.	

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible Official	Step	Action	Keywords
Signing Official	11.	Sign the original of lease form (Form 3100-11) and use signature stamp on lessee/SMA copies of lease form.	
Adjudication	12.	Make distribution in accordance with State Office procedures, e.g., one copy to SMA, if any (mandatory), and one copy to Field Office Operations.	
	13.	If, after a lease is signed, issued, and mailed to the lessee, it is discovered that some or all of the lease stipulations that were identified in the Notice of Competitive Lease Sale as being applicable to the parcel were not attached as part of the lease, send the stipulations by a notice to the lessee, ensuring that a copy of the notice and stipulations are placed in the case file. The notice to the lessee is simply a courtesy since the stipulations are binding, and the lessee filed the noncompetitive offer on the parcel as it was advertised in the sale notice with full awareness of the stipulations as identified. (See 43 CFR 3101.1-3.)	STIPULATIONS INADVERTENTLY NOT ATTACHED TO LEASE
ALMRS Entry	14.	Update lease issuance (see Illustration 13):  Enter Action Date (MANDATORY ACTION CODE): Date lease signed; DE 1775 Action Code 176/DE 2910 Action Code 237.  Enter Action Date (MANDATORY ACTION CODE, WHEN APPLICABLE FOR FRACTIONAL U.S. INTEREST LANDS): Enter date lease signed (or offer was received); DE 1775 Action Code 448/DE 2910 Action Code 527; Action Remarks: Percentage of Federal mineral ownership when U.S. mineral interests are less than 100%.	AUTOMATED NOTATION

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible

Official	Step	Action	Keywords
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14c. Enter Action Date (MANDATORY ACTION CODE IF LANDS ARE IN MORE THAN ONE COUNTY): Enter date lease signed and lands are in two or more counties; DE 1775 Action Code 417/DE 2910 Action Code 523; Action Remarks: Enter acres and State and county codes from DE 0002.

Enter Action Date (MANDATORY ACTION CODE): Effective date of lease; DE 1775 Action Code 225/DE 2910 Action Code 868.

14e. Enter Action Date (MANDATORY ACTION CODE): Enter 12 1/2 percent royalty rate; DE 1775 Action Code 102/DE 2910 Action Code 530.

For acquired lands mineral lease: Enter Action Date (MANDATORY ACTION CODE FOR ACQUIRED LANDS MINERALS): Enter fund symbol; DE 1775 Action Code 444/DE 2910 Action Code 496; Action Remarks: Fund symbol argument code from DE 3042; OPTIONAL: Also enter Treasury fund symbol, including proclaimed unit number (refuge code) in Action Remarks.

AUTOMATED  
NOTATION -  
FUND SYMBOL  
FOR ACQUIRED  
LANDS MINERALS

NOTE: See Appendix 1 for a listing of the Treasury Symbols.

Enter Action Date (MANDATORY ACTION CODE): Date lease expires; DE 1775/2910 Action Code 763.

See Appendix 2 for a listing of key action codes from the data standards which must be used in ALMRS Case Recordation and Record System Release 1.0 for noncompetitive leasing actions.

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible Official	Step	Action	Keywords
Adjudication	15.	Send case file to Title Records through Docket for notation of appropriate records.	
	16.	Send accounting advice(s) to Accounts.	
Title Records	17.	Note oil and gas plat/status records and historical index (HI) (or other appropriate records).	RECORDS NOTATION
	18.	Return case file to Docket.	
Docket	19.	File case file with active cases	

## H-3110-1 - NONCOMPETITIVE LEASES

C. Rejection of Nonpriority Offers

Responsible Official	Step	Action	Keywords
Adjudication	1.	Issue decision rejecting offers not receiving priority. A single decision may include all offers filed by the same entity (see Illustration 17).	POSTSALE OFFERS REJECTED
	2.	Send case file with decision to signing official.	
	3.	After decision is signed, send by certified mail.	
	4.	If all postsale offers filed the first day after the sale were serialized (instead of serialization of parcel filed on), close the case file for each rejected offer at the end of the 30-day appeal period (plus a 10-day grace period for appeal) if no appeal is filed (see 43 CFR 4.401(a)).	CLOSE CASE
	5.	Complete the accounting advice to refund first year's advance rental and send to Accounts.	
	6.	When a refund represents an amount tendered by a nonguaranteed check, initiate the refund only after 15 days have elapsed from the date of deposit, to ensure that the check cleared the banking system. It is important to note that the Department of the Treasury procedures require that all monies received for the first year's advance rentals and the \$75 filing fees for all the unsuccessful offers must be deposited into the U.S. Treasury, i.e., the checks cannot be directly returned to the offerors.	

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible Official	Step	Action	Keywords
ALMRS Entry	7.	If offers were individually serialized, update entry showing offer rejection:	AUTOMATED NOTATION
	7a.	Enter Action Date (MANDATORY ACTION CODE): Date offer rejected; DE 1775 Action Code 006/DE 2910 Action Code 125; Action Remarks: Enter reason for the rejection.	
	7b.	Enter Action Date (MANDATORY ACTION CODE): Date case closed; DE 1775/2910 Action Code 970.	
Adjudication	8.	Send case file to Title Records for records notation, as applicable.	
	9.	Route case file to Docket.	
Docket	10.	File case file with closed files	

## H-3110-1 - NONCOMPETITIVE LEASES

KeywordsD. Statistical Reporting Requirements

Summary information concerning noncompetitive offers filed on the first day following the oral auction for parcels that received no bid (and unsold presale offers) must be transmitted electronically to the Washington Office (WO-610) and the Statistics Coordinator, Colorado State Office (CO-920) within 5 working days after the end of the oral auction (see Illustration 18).

STATISTICAL  
REPORTING  
REQUIREMENTS  
FOR WASHINGTON  
OFFICE

Those State Offices with jurisdiction over more than one geographic State are not to separate the information by geographic State. However, the summary information for noncompetitive offers filed on future interest parcels must be reported separately from the information for offers filed on present interest parcels.

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## H-3110-1 - NONCOMPETITIVE LEASES

IX. Noncompetitive Postsale Offers Filed During Remainder of Parcel Integrity Period/Month of SaleA. Action For Receiving Offer

Responsible Official	Step	Action	Keywords
Receiving Official	1.	Receive offer Form 3100-11. Check that offer is on current form and correct number of copies (original and two) are filed with sufficient rental and \$75 filing fee. (See 43 CFR 3103.2-1 and 3103.2-2, Manual Section 3110.42, and Section V, above.)	POSTSALE OFFER FILED AFTER SALE DURING REMAINDER OF PARCEL INTEGRITY PERIOD
	2.	Date and time stamp at least one copy of offer form, preferably the copy with the original signature (see Section III.F, above).	
	3.	Assign serial number and validate filing fee.	
	4.	Prepare accounting advice and place two copies (green and goldenrod) in case file.	
	5.	Send case file through Docket to official responsible for ALMRS Entry.	
ALMRS Entry	6.	The following reflects the most common action code(s) to be utilized. Reference is to be made to the current Data Standards for Oil and Gas Lease Cases and the current Data Element Dictionary for additional requirements.	AUTOMATED NOTATION
	6a.	Establish the case in ALMRS (Case Types 311121 or 311122 for present interest; for future interest, use Case Types 311123 or 311124).	
	6b.	Enter Action Date (MANDATORY ACTION CODE): Date offer received; DE 1775 Action Code 001/DE 2910 Action Code 124; Action Remarks: Enter parcel number/sale date (optional).	

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible Official	Step	Action	Keywords
	7.	Send case file to Title Records, as appropriate, for notation on oil and gas plats/status records.	
Title Records	8.	Note offer on oil and gas plats/status records (or other appropriate records).	RECORDS NOTATION
	9.	Route case file to Adjudication through Docket.	
Adjudication	10.	Offers received subsequent to the first business day after the competitive sale and during the remainder of the month of the sale have priority first determined by the date and time the offer is filed. Offers filed for the same parcel and that are received in at the same time will have priority established in accordance with 43 CFR 1821.2-3(a) (see Section VI.B).	PRIORITY ESTABLISHED
	11.	Sort offers by parcel number and, if offers are received at the same time for the same parcel, establish priority by public drawing.	
	12.	Adjudicate each priority offer, checking for the following:	ADJUDICATE OFFER FILED DURING PARCEL INTEGRITY MONTH
	12a.	Proper lease offer form and sufficient number of copies, i.e., original and two copies, with each copy showing evidence of having been signed. An offer to lease must be made on the current BLM-approved Form 3100-11, or on unofficial copies of the current form. (See Manual Section 3110.74.)	
	12b.	Original offer form must be manually signed. Failure to date the lease offer is not a fatal deficiency.	

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible	Official	Step	Action	Keywords
12c.			<p>Proper rental was received in accordance with 43 CFR 3103.2. (See Manual Section 3110.42 and Section V, above.)</p> <p>Offer is for an entire single parcel and is described by the parcel number as it appeared in the sale notice. If a legal description also is included, and a discrepancy exists between the parcel number and the legal description, the parcel number shall govern (see Section III.A).</p> <p>Note that failure to check the public domain or acquired box on the lease form (Form 3100-11), or checking the wrong box is not a fatal deficiency (see Section IV).</p> <p>Check oil and gas plats/status records for units/CA's that may have been approved since the sale notice was officially posted.</p> <p>If lands in the offer are within the boundaries of a unit, offeror must submit either evidence of joining the unit or a letter from the unit operator stating that the unit operator has no objection to lease issuance without unit joinder (see Illustrations 11 and 12).</p> <p>If lands in the offer are within the boundaries of a CA, offeror must submit evidence of joinder. Unlike Federal units, lessees cannot operate independently in a Federal CA.</p>	<p>CHECK FOR UNITS/CA'S</p> <p>LANDS WITHIN UNIT/UNIT JOINDER</p> <p>LANDS WITHIN CA - JOINDER REQUIRED</p>

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible Official	Step	Action	Keywords
ALMRS Entry	13.	Enter Action Date: Date additional information requested; DE 1775 Action Code 112/DE 2910 Action Code 104; Action Remarks: Unit/CA joinder requested from offeror. Use in conjunction with for DE 1775 Action Code 113/DE 2910 Action Code 103 when additional information is received.	AUTOMATED NOTATION

## H-3110-1 - NONCOMPETITIVE LEASES

B. Action for Processing Offer for Approval

Responsible Official	Step	Action	Keywords
Adjudication	1.	Prepare offer form (Form 3100-11) for lease issuance. Add land description on lease form by typing it in Item 3, or by an attachment to the lease form.	PROCESS LEASE OFFER
	2.	Attach all required stipulations and the Notice to Lessee concerning Mineral Leasing Act (MLA) Section 2(a)(2)(A) restrictions with respect to assignments/transfers of oil and gas leases from certain Federal coal lease holders (see Illustration 14).	
	3.	When a stipulation is added, deleted, or revised after the official posting of the sale notice but prior to the issuance of a noncompetitive lease, use the following steps:	STIPULATION CHANGES, ADDITIONS, AND DELETIONS
	3a.	If the stipulation revision, addition, or deletion would increase the value of the parcel, withdraw the parcel from the sale notice and readvertise for offering at a future auction in a subsequent sale notice with all the correct stipulations.	
	3b.	Return any postsale noncompetitive offer with all monies refunded (first year's advance rental and filing fee).	
	3c.	If it is determined that the stipulation change would not increase the value of the parcel, the lands continue to be available for noncompetitive offer during the 2-year period. However, before issuing a noncompetitive lease, post a notice for 45 days in the State Office Public Room and at the appropriate local BLM Field Office to advise the public of the specific stipulation change, addition, or deletion.	

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible Official	Step	Action	Keywords
	3d.	<p>If no adverse public response is received during the 45-day period, send a notice to the offeror providing a 30-day period to sign the specific changed or added stipulation (see Illustration 15).</p> <p>If the offeror accepts the revised or added stipulation, continue to process the lease to issuance as described below.</p>	
	3f.	<p>If the offeror refuses to sign the stipulation change, refund all monies (first year's advance rental and filing fee).</p> <p>If a second priority offer exists, provide that party 30 days by notice in which to sign and accept the revised or added stipulation.</p> <p>If all the remaining offerors refuse to accept the lease, the lands remain available for noncompetitive leasing with the changed stipulation for the remainder of the 2-year period.</p>	<p>STIPULATION CHANGE REFUSED - REFUND ALL MONIES</p>
	3i.	<p>If adverse public response is received, handle the response as if it were a protest. That is, if the BLM agrees with the adverse response, the BLM is to withdraw the land. Refund to the offeror all monies, including the \$75 filing fee, and give the offeror the right of appeal.</p>	
	3j.	<p>If the adverse response (protest) is denied, offer the lease to the offeror with the changed stipulation as described above, and give the protestant the right of appeal.</p>	
	3k.	<p>If an appeal is filed, notify the offeror of the pending appeal.</p>	

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible Official	Step	Action	Keywords
	4.	<p>If a unit/CA is involved and notice has been received of acceptance of joinder, a lease may be issued.</p> <p>If part of lands in the offer are outside the boundary of a unit/CA that was approved after the sale notice was officially posted, segregate into two parcels and request joinder for the parcel that is within the agreement boundaries (see Step VIII.A.13g, above, and Illustration 11).</p>	
	5.	If additional rental is required (nominal rental deficiency), prepare a decision requesting the necessary amount (see Section V, above, and Illustration 5.)	
ALMRS Entry	6.	Enter Action Date: Date monies requested; DE 1775 Action Code 082/DE 2910 Action Code 106; Action Remarks: Indicate amount and purpose.	AUTOMATED NOTATION
	7.	Enter Action Date: Date monies received; DE 1775 Action Code 083/DE 2910 Action Code 392; Action Remarks: Indicate amount and purpose.	
Adjudication	8.	Stamp "Original" or "File" on the originally signed lease offer for the case file.	LEASE COPIES DESIGNATED
		Stamp "Lessee" on the first copy of lease offer. Stamp second copy for the SMA, as appropriate.	
	9.	After receipt of total first year's rental due, complete accounting advice (see Illustration 16). If lands are located in two or more counties, enter exact acreage located in each county.	ACCOUNTING ADVICE COMPLETED
	10.	Prepare routing slip and records worksheet. Route lease for signature by the BLM authorized officer.	

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible Official	Step	Action	Keywords
Signing Official	11.	Sign the original of lease Form 3100-11 and use signature stamp on lessee/SMA copies of lease form.	
Adjudication	12.	Make distribution in accordance with State Office procedures, e.g., one copy to SMA, if any (mandatory), and one copy to Field Office Operations.	
	13.	If, after a lease is signed, issued, and mailed to the lessee, it is discovered that some or all of the lease stipulations that were identified in the Notice of Competitive Lease Sale as being applicable to the parcel were not attached as part of the lease, send the stipulations by a notice to the lessee, ensuring that a copy of the notice and stipulations are placed in the case file. The notice to the lessee is simply a courtesy since the stipulations are binding, and the lessee filed the noncompetitive offer on the parcel as it was advertised in the sale notice with full awareness of the stipulations as identified. (See 43 CFR 3101.1-3.)	STIPULATIONS INADVERTENTLY NOT ATTACHED TO LEASE
ALMRS Entry	14.	Update lease issuance (see Illustration 19):	AUTOMATED NOTATION
	14a.	Enter Action Date (MANDATORY ACTION CODE): Date postsale 2-year offer received; DE 1775 Action Code 040/DE 2910 Action Code 135.	
	14b.	Enter Action Date (MANDATORY ACTION CODE): Date lease signed; DE 1775 Action Code 176/DE 2910 Action Code 237.	

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible Official	Step	Action	Keywords
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Enter Action Date (MANDATORY ACTION CODE, WHEN APPLICABLE FOR FRACTIONAL U.S. INTEREST LANDS): Enter date lease signed (or offer was received); DE 1775 Action Code 448/DE 2910 Action Code 527; Action Remarks: Percentage of Federal mineral ownership when U.S. mineral interests are less than 100%.

Enter Action Date (MANDATORY ACTION CODE IF LANDS ARE IN MORE THAN ONE COUNTY): Enter date lease signed and lands are in two or more counties; DE 1775 Action Code 417/DE 2910 Action Code 523; Action Remarks: Enter acres and State and county codes from DE 0002.

Enter Action Date (MANDATORY ACTION CODE): Effective date of lease; DE 1775 Action Code 225/DE 2910 Action Code 868.

Enter Action Date (MANDATORY ACTION CODE): Enter 12 1/2 percent royalty rate; DE 1775 Action Code 102/DE 2910 Action Code 530.

For acquired lands mineral lease:	AUTOMATED
Enter Action Date (MANDATORY ACTION CODE FOR ACQUIRED LANDS MINERALS): Enter fund symbol;	NOTATION -
DE 1775 Action Code 444/DE 2910 Action Code 496; Action Remarks: Fund symbol argument code from DE 3042; <u>OPTIONAL</u> : Also enter Treasury fund symbol, including proclaimed unit number (refuge code) in Action Remarks.	FUND SYMBOL FOR ACQUIRED LANDS MINERALS

NOTE: See Appendix 1 for a listing of the Treasury Symbols.

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible Official	Step	Action	Keywords
		14h. Enter Action Date (MANDATORY ACTION CODE): Date lease expires; DE 1775/2910 Action Code 763.	
Adjudication	15.	Send case file to Title Records through Docket for notation of appropriate records.	
	16.	Send accounting advice(s) to Accounts.	
Title Records	17.	Note oil and gas plat/status records and HI.	RECORDS NOTATION
	18.	Return case file to Docket.	
Docket	19.	File case file with active cases.	

## H-3110-1 - NONCOMPETITIVE LEASES

C. Rejection of Nonpriority Offers

Responsible Official	Step	Action	Keywords
Adjudication	1.	If more than one offer was received on a parcel, reject by decision those offers not in priority (see Illustration 17).	POSTSALE OFFERS REJECTED
	2.	Send case file with decision to signing official.	
	3.	After decision is signed, send by certified mail.	
	4.	If postsale offers received during the remainder of parcel integrity period were serialized (instead of serialization of parcel filed on), close the case file for each rejected offer at the end of the 30-day appeal period (plus a 10-day grace period for appeal if no appeal is filed (see 43 CFR 4.401(a))).	CLOSE CASE
	5.	Complete the accounting advice to refund first year's advance rental and send to Accounts.	
ALMRS Entry	6.	If offers were individually serialized, update entry showing offer rejection:	AUTOMATED NOTATION
	6a.	Enter Action Date (MANDATORY ACTION CODE): Date offer rejected; DE 1775 Action Code 006/DE 2910 Action Code 125; Action Remarks: Enter reason for the rejection.	
	6b.	Enter Action Date (MANDATORY ACTION CODE): Date case closed; DE 1775/2910 Action Code 970.	
Adjudication	7.	Send case file to Title Records for records notation, as applicable.	RECORDS NOTATION
	8.	Route case file to Docket.	
Docket	9.	File case file with closed files.	

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## H-3110-1 - NONCOMPETITIVE LEASES

X. Noncompetitive Postsale Offers Filed After Parcel Integrity Period and During 2-Year PeriodA. Action for Receiving Offer

Responsible Official	Step	Action	Keywords
Receiving Official	1.	Receive offer Form 3100-11. Check that offer is on current form and correct number of copies (original and two) are filed, with sufficient rental and \$75 filing fee. (See 43 CFR 3103.2-1 and 3103.2-2, Manual Section 3110.42, and Section V, above.)	POSTSALE OFFER FILED AFTER PARCEL INTEGRITY PERIOD AND DURING 2-YEAR PERIOD
	2.	Date and time stamp at least one copy of offer form, preferably the copy with the original signature (see Section III.F, above).	
	3.	Assign serial number and validate filing fee.	
	4.	Prepare accounting advice and place two copies (green and goldenrod) in case file.	
	5.	Send case file through Docket to official responsible for ALMRS Entry.	
ALMRS Entry	6.	The following reflects the most common action code(s) to be utilized. Reference is to be made to the current Data Standards for Oil and Gas Lease Cases and the current Data Element Dictionary for additional requirements	AUTOMATED NOTATION
	6a.	Establish the case in ALMRS (Case Types 311121 or 311122 for present interest; for future interest, Case Types 311123 or 311124).	
	6b.	Enter Action Date (MANDATORY ACTION CODE): Date offer received; DE 1775 Action Code 001/DE 2910 Action Code 124; Action Remarks: Enter parcel number/sale date, if such can be clearly identified (optional).	

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible Official	Step	Action	Keywords
		Send case file to Title Records, as appropriate, for notation on oil and gas plats/status records.	
Title Records	8.	Note offer on oil and gas plats/status records (or other appropriate records).	RECORDS NOTATION
	9.	Route case file to Adjudication through Docket.	
Adjudication	10.	An offer received after the end of the parcel integrity period, i.e., received after the end of the month of the sale and during the remainder of the 2-year period must be filed by the legal land description in accordance with 43 CFR 3110.5. Offers for the same lands that are received in the same mail at the same time will have priority established in accordance with 43 CFR 1821.2-3(a). If the first-drawn applicant fails to comply with all the requirements within the specified time, the offer shall be rejected. In such a case, go to next offer in priority, if any exists (see Section VI.B).	PRIORITY ESTABLISHED
	11.	Sort offers by township and range, and establish priority by a public drawing for those received at the same time that are for the same lands.	
	12.	Adjudicate offer, checking for the following:	ADJUDICATE OFFER FILED DURING REMAINDER OF 2-YEAR PERIOD
	12a.	Proper lease offer form and sufficient number of copies, i.e., original and two copies, with each copy showing evidence of having been signed. An offer to lease must be made on the current BLM-approved Form 3100-11, or on unofficial copies of the current form. (See Manual Section 3110.74.)	

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible Official	Step	Action	Keywords
	12b.	Original offer form must be manually signed. Failure to date the lease offer is not a fatal deficiency.  Proper rental was received in accordance with 43 CFR 3103.2. (See Manual Section 3110.42 and Section V, above.)  Offer is described by legal land description. After the end of the parcel integrity period, any offer filed by the parcel number only, without the required legal land description, shall result in rejection of the offer (see Section III.B).	
	12e.	Note that failure to check the public domain or acquired box on the lease form (Form 3100-11), or checking the wrong box is not a fatal deficiency (see Section IV).  Check oil and gas plats/status records for units/CA's that may have been approved since the sale notice was officially posted.	CHECK FOR UNITS/CA'S
	12g.	If lands in the offer are within the boundaries of a unit, offeror must submit either evidence of joining the unit or a letter from the unit operator stating that the unit operator has no objection to lease issuance without unit joinder (see Illustrations 11 and 12).  If lands in the offer are within the boundaries of a CA, offeror must submit evidence of joinder. Unlike Federal units, lessees cannot operate independently in a Federal CA.	LANDS WITHIN UNIT/UNIT JOINDER  LANDS WITHIN CA - JOINDER REQUIRED

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible Official	Step	Action	Keywords
ALMRS Entry	13.	Enter Action Date: Date additional information requested; DE 1775 Action Code 112/DE 2910 Action Code 104; Action Remarks: Unit/CA joinder requested from offeror. Use in conjunction with for DE 1775 Action Code 113/DE 2910 Action Code 103 when additional information is received.	AUTOMATED NOTATION

## H-3110-1 - NONCOMPETITIVE LEASES

B. Action for Processing Offer for Approval

Responsible Official	Step	Action	Keywords
Adjudication	1.	Prepare offer form (Form 3100-11) for lease issuance. If necessary, redescribe legal land description on lease form by typing it in Item 3, or by an attachment to the lease form.	PROCESS LEASE OFFER
	1a.	<u>OPTIONAL</u> : If the land description in Item 2 on lease form is correct, stamp "Same Land Description as Item 2" in Item 3 on lease form.	
	2.	Attach required stipulations and Notice to Lessee concerning Mineral Leasing Act (MLA) Section 2(a)(2)(A) restrictions with respect to assignments/transfers of oil and gas leases from certain Federal coal lease holders (see Illustration 14).	
	3.	When a stipulation is added, deleted, or revised after the official posting of the sale notice but prior to the issuance of a noncompetitive lease, use the following steps:	STIPULATION CHANGES, ADDITIONS, AND DELETIONS
	3a.	If the stipulation revision, addition, or deletion would increase the value of the parcel, withdraw the parcel from the sale notice and readvertise for offering at a future auction in a subsequent sale notice with all the correct stipulations.	
	3b.	Return any postsale noncompetitive offer with all monies refunded (first year's advance rental and filing fee).	

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible

Official	Step	Action	Keywords
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If it is determined that the stipulation change would not increase the value of the parcel, the lands continue to be available for noncompetitive offer during the 2-year period. However, before issuing a noncompetitive lease, post a notice for 45 days in the State Office Public Room and at the appropriate local BLM Field Office to advise the public of the specific stipulation change, addition, or deletion.

If no adverse public response is received during the 45-day period, send a notice to the offeror providing a 30-day period to sign the specific changed or added stipulation (see Illustration 15).

If the offeror accepts the revised or added stipulation, continue to process the lease to issuance as described below.

- 3f. If the offeror refuses to sign the stipulation change, refund all monies (first year's advance rental and filing fee).

STIPULATION  
CHANGE REFUSED -  
REFUND ALL MONIES

If a second priority offer exists, provide that party 30 days by notice in which to sign and accept the revised or added stipulation.

- 3h. If all the remaining offerors refuse to accept the lease, the lands remain available for noncompetitive leasing with the changed stipulation for the remainder of the 2-year period.

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible Official	Step	Action	Keywords
		If adverse public response is received, handle the response as if it were a protest. That is, if the BLM agrees with the adverse response, the BLM is to withdraw the land. Refund to the offeror all monies, including the \$75 filing fee, and give the offeror the right of appeal.	
	3j.	If the adverse response (protest) is denied, offer the lease to the offeror with the changed stipulation as described above, and give the protestant the right of appeal.	
	3k.	If an appeal is filed, notify the offeror of the pending appeal.	
	4.	If a unit/CA is involved and notice has been received of acceptance of joinder, lease may be issued.  If part of lands in the offer are outside the boundary of a unit/CA that was approved after the sale notice was officially posted, segregate into two parcels and request joinder for the parcel that is within the agreement boundaries (see Step VIII.A.13g, above, and Illustration 11).	
	5.	If additional rental is required (nominal rental deficiency), prepare a decision requesting the necessary amount (see Section V, above, and Illustration 5).	
ALMRS Entry	6.	Enter Action Date: Date monies requested; DE 1775 Action Code 082/DE 2910 Action Code 106; Action Remarks: Indicate amount and purpose.	AUTOMATED NOTATION
	7.	Enter Action Date: Date monies received; DE 1775 Action Code 083/DE 2910 Action Code 392; Action Remarks: Indicate amount and purpose.	

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible Official	Step	Action	Keywords
Adjudication	8.	Stamp "Original" or "File" on the originally signed lease offer for the case file.	LEASE COPIES DESIGNATED
	8a.	Stamp "Lessee" on the first copy of lease offer. Stamp second copy for the SMA, as appropriate.	
	9.	After receipt of total first year's rental due, complete accounting advice (see Illustration 16). If lands are located in two or more counties, enter exact acreage located in each county.  Prepare routing slip and records worksheet. Route lease for signature by the BLM authorized officer.	ACCOUNTING ADVICE COMPLETED
Signing Official	11.	Sign the original of lease Form 3100-11 and use signature stamp on lessee/SMA copies of lease form.	
Adjudication	12.	Make distribution in accordance with State Office procedures, e.g., one copy to SMA, if any (mandatory), and one copy to Field Office Operations.	
	13.	If, after a lease is signed, issued and mailed to the lessee, it is discovered that some or all of the lease stipulations that were identified in the Notice of Competitive Lease Sale as being applicable to the parcel were not attached as part of the lease, send the stipulations by a notice to the lessee, ensuring that a copy of the notice and stipulations are placed in the case file. The notice to the lessee is simply a courtesy since the stipulations are binding, and the lessee filed the noncompetitive offer on the parcel as it was advertised in the sale notice with full awareness of the stipulations as identified. (See 43 CFR 3101.1-3.)	STIPULATIONS INADVERTENTLY NOT ATTACHED TO LEASE

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible Official	Step	Action	Keywords
ALMRS Entry	14.	Update lease issuance (see Illustration 19):	AUTOMATED NOTATION
		Enter Action Date (MANDATORY ACTION CODE) Date postsale 2-year offer received; DE 1775 Action Code 040/DE 2910 Action Code 135.	
	14b.	Enter Action Date (MANDATORY ACTION CODE): Date lease signed; DE 1775 Action Code 176/DE 2910 Action Code 237.	
	14c.	Enter Action Date (MANDATORY ACTION CODE, WHEN APPLICABLE FOR FRACTIONAL U.S. INTEREST LANDS): Enter date lease signed (or offer was received); DE 1775 Action Code 448/DE 2910 Action Code 527; Action Remarks: Percentage of Federal mineral ownership when U.S. mineral interests are less than 100%.	
		Enter Action Date (MANDATORY ACTION CODE IF LANDS ARE IN MORE THAN ONE COUNTY): Enter date lease signed and lands are in two or more counties; DE 1775 Action Code 417/DE 2910 Action Code 523; Action Remarks: Enter acres and State and county codes from DE 0002.	
		Enter Action Date (MANDATORY ACTION CODE): Effective date of lease; DE 1775 Action Code 225/DE 2910 Action Code 868.	
		Enter Action Date (MANDATORY ACTION CODE): Enter 12 1/2 percent royalty rate; DE 1775 Action Code 102/DE 2910 Action Code 530.	

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible Official	Step	Action	Keywords
		For acquired lands mineral lease: Enter Action Date (MANDATORY ACTION CODE FOR ACQUIRED LANDS MINERALS): Enter fund symbol; DE 1775 Action Code 444/DE 2910 Action Code 496; Action Remarks: Fund symbol argument code from DE 3042; <u>OPTIONAL</u> : Also enter Treasury fund symbol, including proclaimed unit number (refuge code) in Action Remarks.	AUTOMATED NOTATION - FUND SYMBOL FOR ACQUIRED LANDS MINERALS
		<u>NOTE</u> : See Appendix 1 for a listing of the Treasury Symbols.	
		Enter Action Date (MANDATORY ACTION CODE): Date lease expires; DE 1775/2910 Action Code 763.	
Adjudication	15.	Send case file to Title Records through Docket for notation of appropriate records.	
	16.	Send accounting advice(s) to Accounts.	
Title Records	17.	Note oil and gas plat/status records and HI.	RECORDS NOTATION
	18.	Return case file to Docket.	
Docket	19.	File case file with active cases.	

## H-3110-1 - NONCOMPETITIVE LEASES

C. Rejection of Nonpriority Offers

Responsible Official	Step	Action	Keywords
Adjudication	1.	If more than one offer for the same land is received at the same time, reject by decision those offers not in priority. Reject any offers in whole or part for other reasons (see Illustrations 20 and 21).	POSTSALE OFFERS REJECTED
	2.	Send case file with decision to signing official.	
	3.	After decision is signed, send by certified mail.	
	4.	If no appeal is filed, close case file at end of the 30-day appeal period, plus a 10-day grace period for appeal (see 43 CFR 4.401(a)).	CLOSE CASE
	5.	Complete the accounting advice to refund first year's advance rental and send to Accounts.	
ALMRS Entry	6.	Update entry showing offer rejection:	AUTOMATED NOTATION
	6a.	Enter Action Date (MANDATORY ACTION CODE): Date offer rejected; DE 1775 Action Code 006/DE 2910 Action Code 125; Action Remarks: Enter reason for rejection.	
	6b.	Enter Action Date (MANDATORY ACTION CODE): Date case closed; DE 1775/2910 Action Code 970.	
Adjudication	7.	Send case file to Title Records for records notation, as applicable.	RECORDS NOTATION
	8.	Route case file to Docket	
Docket	9.	File case file with closed files	

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## H-3110-1 - NONCOMPETITIVE LEASES

XI. Noncompetitive Combined (Presale and Postsale) Offers Filed      Keywords

A. Noncompetitive Offers - Public Domain or Acquired Lands Minerals      COMBINED OFFERS  
FILED UNDER

This Handbook Section provides guidelines for processing noncompetitive lease offers containing both presale lands available under 43 CFR 3110.1(a)(1) and postsale lands available under 43 CFR 3110.1(b).

43 CFR  
3110.1(a)(1)  
AND 3110.1(b)

Regulation 43 CFR 3110.1(b) provides that lands that have been offered competitively and that have received no bid at the oral auction, shall be available for noncompetitive lease. Such lands shall become available for a period of 2 years beginning on the first business day following the last day of the competitive oral auction, and ending on that same day 2 years later. A lease may be issued from an offer properly filed any time within this 2-year period.

Regulation 43 CFR 3110.1(a)(1) provides that after January 2, 1989, noncompetitive lease offers may be filed on unleased lands, except for those lands that are in the 1-year period commencing upon the expiration, termination, relinquishment, or cancellation of the leases containing the lands and those lands contained in an officially posted Notice of Competitive Lease Sale.

In conclusion, a lease offer may include lands from both regulation sections. However, as prescribed by regulation 43 CFR 3110.4(c), an offer must be limited to either public domain minerals or acquired lands minerals.

See also Section II.A, above, for lease offer size requirements.

## H-3110-1 - NONCOMPETITIVE LEASES

B. Action For Receiving Offer

Responsible Official	Step	Action	Keywords
Receiving Official	1.	Receive offer Form 3100-11. Check that offer is on current form and correct number of copies (original and two) are filed, with sufficient rental and \$75 filing fee. (See 43 CFR 3103.2-1 and 3103.2-2, Manual Section 3110.42, and Section V, above.)	COMBINED PRESALE AND POSTSALE OFFER FILED
	2.	Date and time stamp at least one copy of offer form, preferably the copy with the original signature.	
	3.	Assign serial number and validate filing fee.	
	4.	Prepare accounting advice and place two copies (green and goldenrod) in case file.	
	5.	Send case file through Docket to official responsible for ALMRS Entry.	
ALMRS Entry	6.	The following reflects the most common action code(s) to be utilized. Reference is to be made to the current Data Standards for Oil and Gas Lease Cases and the current Data Element Dictionary for additional requirements.	AUTOMATED NOTATION
	6a.	Establish the case in ALMRS (Case Types 311121 or 311122 for present interest; for future interest, Case Types 311123 or 311124);	
	6b.	Enter Action Date (MANDATORY ACTION CODE): Date offer received; DE 1775 Action Code 001/DE 2910 Action Code 124; Action Remarks: Enter parcel number/sale date, if applicable.	
	7.	Send case file to Title Records, as appropriate, for notation on oil and gas plats/status records.	

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible Official	Step	Action	Keywords
Title Records	8.	Note offer on oil and gas plats/status records (or other appropriate records).	RECORDS NOTATION
	9.	Route case file to Adjudication through Docket.	
Adjudication	10.	Priority of an offer received shall be determined as of the time and date the offer is filed in the proper BLM Office. Simultaneously-filed offers are those offers to lease some or all of the same lands that are received in the Receiving and Accounts mail slot prior to Public Room hours; or received by the first regular mail; or received in the same courier mail delivery. Priority of the offers, to the extent of the conflicts between them, shall be determined by a public drawing.	PRIORITY ESTABLISHED
	10a.	If the first drawn applicant fails to comply with all requirements within the specified time, the offer is to be rejected. In such a case, go to next offer in priority, if any. (See Manual Section 3110.43.)	
	11.	Determine lands in the offer that have been offered in an oral auction and are still available during the 2-year period after the sale, and determine the open and available lands described in the offer that have not been through the competitive process, and sort the latter presale-type lands by township and range.	
	12.	Determine if there is a conflict among the offers that requires a public drawing.	
	13.	Adjudicate offer, checking for the following:	ADJUDICATE OFFER CONTAINING BOTH PRESALE AND POSTSALE LANDS

H-3110-1 - NONCOMPETITIVE LEASES

Responsible	Official	Step	Action	Keywords
			<p>Proper lease offer form and sufficient number of copies, i.e., original and two copies, with each copy showing evidence of having been signed. An offer to lease must be made on the current BLM-approved Form 3100-11, or on unofficial copies of the current form. (See Manual Section 3110.74.)</p>	
			<p>Original offer form must be manually signed. Failure to date the lease offer is not a fatal deficiency.</p>	
		13c.	<p>Proper rental was received in accordance with 43 CFR 3103.2. (See Manual Section 3110.42 and Section V, above.)</p>	
		13d.	<p>Offer is described by legal land description in accordance with Section III, and conforms to the lease offer size requirements in accordance with Section II, above.</p>	
		13e.	<p>Note that failure to check the public domain or acquired box on the lease form (Form 3100-11), or checking the wrong box is not a fatal deficiency (see Section IV).</p>	
		14.	<p>Offers combining presale and postsale lands may be processed in either of two ways as indicated in the options described in Steps XI.B.15 and XI.B.17, below.</p>	
		15.	<p><u>OPTION 1:</u></p>	
		15a.	<p>Segregate the offer (after applying the minimum acreage rule).</p>	<p>SEGREGATE OFFER</p>

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible Official	Step	Action	Keywords
		Issue lease immediately for postsale lands (even if such lands are less than the minimum acreage after the segregation).	
	15c.	Process the presale lands for posting for competitive sale.	
		Issue lease for presale lands if parcel receives no bid at oral auction (a second lease), <u>OR</u>	
		Combine the presale lands in the segregated offer into the first lease as provided under 43 CFR 3110.8, but only if specifically requested to do so by the offeror. Note that additional signed lease offer forms from the offeror are not required for a second lease.	
ALMRS Entry	16.	Update for lease issuance of portion of lands and segregation and suspension of remainder of lease offer:	AUTOMATED NOTATION
		Enter Action Date (MANDATORY ACTION CODE): Date suspended lands are segregated to new case; DE 1775/2910 Action Code 011; Action Remarks: Enter "INTO" serial number of new case. (Use code only on parent case).	
		Enter Action Date (MANDATORY ACTION CODE): Date suspended lands are segregated into new case; DE 1775/2910 Action Code 571; Action Remarks: Enter "OUT OF" serial number of parent case. (Use only on new case; also enter DE 1775 Action Code 001/DE 2910 Action Code 387 (case established), DE 1775 Action Code 041/DE 2910 Action Code 128 (presale offer), etc., on new case.)	

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible Official	Step	Action	Keywords
Adjudication	17.	<u>OPTION 2:</u>	
	17a.	After applying the minimum acreage rule, put the issuance of a lease for the postsale lands in suspended status (the 60-day time limit for issuance of a lease will not apply for the lands in this case since "all else is not regular," due to the combination of the presale- and postsale-type lands in the offer).	PENDING POSTSALE OFFER
	17b.	Issue a notice suspending the postsale-type portion of offer (see Illustrations 22 and 23).	
	17c.	Post the presale lands for competitive sale.	
	17d.	If no bid received at the auction, issue one lease to include both presale and postsale lands.	
	17e.	If the presale lands in the offer sold competitively, issue a lease only for the postsale lands.	
		<u>NOTE:</u> Option 2 should be used only if the offeror requests, or if the time and effort required to exercise this option in Adjudication is less than that involved in implementing Option 1.	
		Forward worksheet describing presale-type lands, submitted as part of the offer under 43 CFR 3110.1(a)(1), for inclusion in a future competitive sale preliminary parcel list and sale notice.	PRESALE LANDS PROCESSED FOR COMPETITIVE SALE

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible Official	Step	Action	Keywords
	19.	<p>Configure lands into a parcel in accordance with Handbook 3120-1, but do not combine these lands with other available lands.</p> <p>On Notice of Competitive Lease Sale, note all sale parcels that have presale offers.</p> <p>Hold competitive lease sale.</p>	
	22.	Issue noncompetitive leases, if no bid was received, using either Option 1 or Option 2 to process the lands (see Section X.B, above, to process toward lease issuance).	
	23.	<p>Reject nonpriority offers in accordance with Section X.C, above.</p> <p>Check oil and gas plats/status records for units/CA's that may have been approved since the sale notice was officially posted.</p>	CHECK FOR UNITS/CA'S
	25.	If lands in the offer are within the boundaries of a unit, offeror must submit either evidence of joining the unit or a letter from the unit operator stating that the unit operator has no objection to lease issuance without unit joinder (see Illustrations 11 and 12).	LANDS WITHIN UNIT/UNIT JOINDER
	26.	If lands in the offer are within the boundaries of a CA, offeror must submit evidence of joinder. Unlike Federal units, lessees cannot operate independently in a Federal CA.	LANDS WITHIN CA - JOINDER REQUIRED

C. Action for Processing Offer for Approval

Responsible Official	Step	Action	Keywords
Adjudication	1.	Prepare offer form (Form 3100-11) for lease issuance using either Option 1 or Option 2 in Step XI.B.14, above. Show land description on lease form by typing it in Item 3, or by an attachment to the lease form, if land description of the lease is different than that indicated in Item 2 on the form.	PROCESS LEASE OFFER
	2.	Attach required stipulations and Notice to Lessee concerning Mineral Leasing Act (MLA) Section 2(a)(2)(A) restrictions with respect to assignments/transfers of oil and gas leases from certain Federal coal lease holders (see Illustration 14).	
	3.	When a stipulation is added, deleted, or revised after the official posting of the sale notice but prior to the issuance of a noncompetitive lease, use the following steps:	STIPULATION CHANGES, ADDITIONS, AND DELETIONS
	3a.	If the stipulation revision, addition, or deletion would increase the value of the parcel, withdraw the parcel from the sale notice and readvertise for offering at a future auction in a subsequent sale notice with all the correct stipulations.	
	3b.	Return any postsale noncompetitive offer with <u>all</u> monies refunded (first year's advance rental and filing fee).	

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible

OfficialStepActionKeywords

If it is determined that the stipulation change would not increase the value of the parcel, the lands continue to be available for noncompetitive offer during the 2-year period. However, before issuing a noncompetitive lease, post a notice for 45 days in the State Office Public Room and at the appropriate local BLM Field Office to advise the public of the specific stipulation change, addition, or deletion.

3d. If no adverse public response is received during the 45-day period, send a notice to the offeror providing a 30-day period to sign the specific changed or added stipulation (see Illustration 15).

3e. If the offeror accepts the revised or added stipulation, continue to process the lease to issuance as described below.

If the offeror refuses to sign the stipulation change, refund all monies (first year's advance rental and filing fee).

STIPULATION  
CHANGE REFUSED -  
REFUND ALL MONIES

3g. If a second priority offer exists, provide that party 30 days by notice in which to sign and accept the revised or added stipulation.

3h. If all the remaining offerors refuse to accept the lease, the lands remain available for noncompetitive leasing with the changed stipulation for the remainder of the 2-year period.

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible Official	Step	Action	Keywords
		<p>If adverse public response is received, handle the response as if it were a protest. That is, if the BLM agrees with the adverse response, the BLM is to withdraw the land. Refund to the offeror all monies, including the \$75 filing fee, and give the offeror the right of appeal.</p> <p>If the adverse response (protest) is denied, offer the land to the offeror with the changed stipulation as described above, and give the protestant the right of appeal.</p>	
	3k.	If an appeal is filed, notify the offeror of the pending appeal.	
	4.	If a unit/CA is involved and notice has been received of acceptance of joinder, lease may be issued.	
	4a.	If part of lands in the offer are outside the boundary of a unit/CA that was approved after the sale notice was officially posted, segregate into two parcels and request joinder for the parcel that is within the agreement boundaries (see Step VIII.A.13g, above, and Illustration 11).	
	5.	If additional rental is required (nominal rental deficiency), prepare a decision requesting the necessary amount (see Section V, above, and Illustration 5.)	
ALMRS Entry	6.	Enter Action Date: Date monies requested; DE 1775 Action Code 082/DE 2910 Action Code 106; Action Remarks: Enter amount and purpose.	AUTOMATED NOTATION
	7.	Enter Action Date: Date monies received; DE 1775 Action Code 083/DE 2910 Action Code 392; Action Remarks: Enter amount and purpose.	

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible Official	Step	Action	Keywords
Adjudication	8.	Stamp "Original" or "File" on the originally signed lease offer for the case file.	LEASE COPIES DESIGNATED
	8a.	Stamp "Lessee" on the first copy of lease offer. Stamp second copy for the SMA, as appropriate.	
	9.	After receipt of total first year's rental due, complete accounting advice (see Illustration 16). If lands are located in two or more counties, enter exact acreage located in each county.  Prepare routing slip and records worksheet. Route lease for signature by the BLM authorized officer.	ACCOUNTING ADVICE COMPLETED
Signing Official	11.	Sign the original of lease Form 3100-11 and use signature stamp on lessee/SMA copies of lease form.	
Adjudication	12.	Make distribution in accordance with State Office procedures, e.g., one copy to SMA, if any (mandatory), and one copy to Field Office Operations.  If, after a lease is signed, issued and mailed to the lessee, it is discovered that some or all of the lease stipulations that were identified in the Notice of Competitive Lease Sale as being applicable to the parcel were not attached as part of the lease, send the stipulations by a notice to the lessee, ensuring that a copy of the notice and stipulations are placed in the case file. The notice to the lessee is simply a courtesy since the stipulations are binding, and the lessee is responsible for being fully aware of the stipulations on the lands in the parcel as advertised in the sale notice. (See 43 CFR 3101.1-3.)	STIPULATIONS INADVERTENTLY NOT ATTACHED TO LEASE

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible Official	Step	Action	Keywords
ALMRS Entry	14.	Update lease issuance (see Illustration 19):	AUTOMATED NOTATION
	14a.	<p>For that portion of offer that has already been through the competitive sale process: Enter Action Date (MANDATORY ACTION CODE): Date postsale 2-year offer received; DE 1775 Action Code 040/DE 2910 Action Code 135.</p> <p>For that portion of offer that must be processed through the competitive sale process: Enter Action Date (MANDATORY ACTION CODE): Date presale offer received; DE 1775 Action Code 041/DE 2910 Action Code 128.</p> <p>Enter Action Date (MANDATORY ACTION CODE): Date lease signed; DE 1775 Action Code 176/DE 2910 Action Code 237.</p> <p>Enter Action Date (MANDATORY ACTION CODE, WHEN APPLICABLE FOR FRACTIONAL U.S. INTEREST LANDS): Enter date lease signed (or offer was received); DE 1775 Action Code 448/DE 2910 Action Code 527; Action Remarks: Percentage of Federal mineral ownership when U.S. mineral interests are less than 100%.</p>	
	14e.	Enter Action Date (MANDATORY ACTION CODE IF LANDS ARE IN MORE THAN ONE COUNTY): Enter date lease signed and lands are in two or more counties; DE 1775 Action Code 417/DE 2910 Action Code 523; Action Remarks: Enter acres and State and county codes from DE 0002.	

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible Official	Step	Action	Keywords
	14f.	<p>Enter Action Date (MANDATORY ACTION CODE): Effective date of lease; DE 1775 Action Code 225/DE 2910 Action Code 868.</p> <p>Enter Action Date (MANDATORY ACTION CODE): Enter 12 1/2 percent royalty rate; DE 1775 Action Code 102/DE 2910 Action Code 530.</p> <p>For acquired lands mineral lease: Enter Action Date (MANDATORY ACTION CODE FOR ACQUIRED LANDS MINERALS): Enter fund symbol; DE 1775 Action Code 444/DE 2910 Action Code 496; Action Remarks: Fund symbol argument code from DE 3042; <u>OPTIONAL</u>: Also enter Treasury fund symbol, including proclaimed unit number (refuge code) in Action Remarks.</p> <p><u>NOTE</u>: See Appendix 1 for a listing of the Treasury Symbols.</p> <p>Enter Action Date (MANDATORY ACTION CODE): Date lease expires; DE 1775/2910 Action Code 763.</p>	<p>AUTOMATED NOTATION - FUND SYMBOL FOR ACQUIRED LANDS MINERALS</p>
Adjudication	15.	Send case file to Title Records through Docket for notation of appropriate records.	
	16.	Send accounting advice(s) to Accounts.	
Title Records	17.	Note oil and gas plat /status records and HI.	RECORDS NOTATION
	18.	Return case file to Docket.	
Docket	19.	File case file with active cases.	

## H-3110-1 - NONCOMPETITIVE LEASES

D. Rejection of Nonpriority Offers

Responsible Official	Step	Action	Keywords
Adjudication	1.	<p>If more than one offer for the same land is received at the same time, reject by decision those offers not in priority. Reject any offers in whole or part for other reasons (see Illustrations 20 and 21).</p> <p>If applicable, issue a notice suspending a portion of offer (see Illustrations 22 and 23).</p>	OFFERS REJECTED
	2.	Send case file with decision and/or notice to signing official.	
	3.	When decision is signed, send by certified mail.	
Adjudication	4.	If no appeal is filed, close case file at end of the 30-day appeal period (plus a 10-day grace period for appeal (see 43 CFR 4.401(a)).	CLOSE CASE
	5.	Complete the accounting advice to refund first year's advance rental and send to Accounts.	
ALMRS Entry	6.	<p>Update entry showing rejection:</p> <p>Enter Action Date (MANDATORY ACTION CODE): Date offer rejected; DE 1775 Action Code 006/DE 2910 Action Code 125; Action Remarks: Enter reason for rejection.</p> <p>Enter Action Date (MANDATORY ACTION CODE): Date case closed; DE 1775/2910 Action Code 970.</p>	AUTOMATED NOTATION
Adjudication	7.	Send case file to Title Records for records notation, as applicable.	RECORDS NOTATION
	8.	Route case file to Docket.	
Docket	9.	File case file with closed files.	

## H-3110-1 - NONCOMPETITIVE LEASES

KeywordsXII. Lease TermsA. Duration of Lease

All noncompetitive leases are issued for a primary term of 10 years. These leases are considered issued when signed by the BLM authorized officer.

PRIMARY TERM  
NONCOMPETITIVE  
LEASE

B. Dating of Leases

Leases, except future interest leases, are effective as of the first day of the month following the date the leases are issued. However, if a written request is received from the offeror prior to the date that the BLM authorized officer signed the lease form, the authorized officer may make a lease effective the first day of the month within which it is issued.

LEASE  
EFFECTIVE  
DATE

Future interest leases are effective as of the date the mineral interests vest in the United States. (See Manual Section 3110.93 and 43 CFR 3110.9-3.)

FUTURE  
INTEREST  
EFFECTIVE  
DATE

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H-3110-1 - NONCOMPETITIVE LEASES

Keywords

XIII. Withdrawal of Offer

A. Requirements

An offer filed under 43 CFR 3110 may be withdrawn, in whole or in part, if received in the proper BLM Office as follows.

WITHDRAWAL OF  
NONCOMPETITIVE  
LEASE OFFER

1. Presale Offer Under 43 CFR 3110.1(a)(1)

A presale offer filed prior to the competitive offering of lands available under 43 CFR 3110.1(a)(1) may be withdrawn at any time prior to signature of the noncompetitive lease by the BLM authorized officer. For example, if the offeror feels that the stipulations stated in the Notice of Competitive Lease Sale are too stringent, or has decided against obtaining a lease, the offeror may withdraw the presale offer.

PRESALE  
OFFERS

2. Postsale Offer Under 43 CFR 3110.1(b)

A postsale offer filed on lands that have been offered competitively and received no bid may be withdrawn only after 60 days from the date of filing of such offer.

POSTSALE  
OFFERS

3. Partial Withdrawal - Public Domain Minerals Offer

If a public domain minerals offer is partially withdrawn, the lands retained in the offer must total:

PARTIAL  
WITHDRAWAL -  
PUBLIC DOMAIN  
MINERALS OFFER

a. In the lower 48 States, 640 acres or one full section, whichever is larger, or must include all available lands within a section where there are no contiguous lands available.

b. In Alaska, 2,560 acres or four full contiguous sections, whichever is larger, or must include all available lands within the four sections where there are no contiguous lands available.

## H-3110-1 - NONCOMPETITIVE LEASES

B. Action on Offer Withdrawal

Responsible Official	Step	Action	Keywords
Receiving Official	1.	Receive noncompetitive offer withdrawal or partial offer withdrawal request.	WITHDRAWAL OF OFFER RECEIVED
	2.	Forward to Adjudication.	
Adjudication	3.	Request case file from Docket and verify that person signing the withdrawal request is the offeror or someone authorized to sign on behalf of the offeror.	
		<p>Note that postsale offers may be withdrawn only after 60 days from the date of filing of such offer. Withdrawal requests received prior to 60 days from receipt of the offer shall be rejected with the offer remaining in force for processing toward lease issuance.</p>	
	4.	If withdrawal request is acceptable, process as follows:	
	4a.	If a withdrawal of entire offer, verify the accuracy of the withdrawn land.	ENTIRE WITHDRAWAL
	4b.	Prepare accounting advice to refund all advance rental. Note under "Remarks" on accounting advice, "Offer withdrawn and closed." Retain one copy of accounting advice in case file and forward one copy to Accounts.	
	4c.	If a partial withdrawal of offer, verify that withdrawn lands and retained lands and acreages are correct. Check that acreage to be retained in offer meets minimum acreage requirements.	PARTIAL WITHDRAWAL
		<p>Authorize refund of first year's advance rental for withdrawn acreage if all else is regular.</p>	

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible Official	Step	Action	Keywords
		4e. Notify other surface managing agencies or BLM offices that offer has been withdrawn in whole or part, and whether a report is still required from that office for the remaining lands, as applicable.	OTHER SMA INVOLVEMENT
		4f. Note any conflicting oil and gas case file(s) to reflect this withdrawal action.	NOTE CONFLICTING CASE FILE
ALMRS Entry	5.	Update for entire offer withdrawal:  Enter Action Date (MANDATORY ACTION CODE): Date withdrawal filed; DE 1775 Action Code 009/DE 2910 Action Code 130.  5a. Enter Action Date (MANDATORY ACTION CODE): Date Case Closed; DE 1775/2910 Action Code 970.	AUTOMATED NOTATION
	6.	Update for partial withdrawal:  Enter Action Date (MANDATORY ACTION CODE): Date partial withdrawal filed; DE 1775 Action Code 010/DE 2910 Action Code 131. Also, update offer's land description and acreage.	
Title Records	7.	Note oil and gas plat/status records (or other appropriate records), as appropriate.	RECORDS NOTATION
	8.	Return case file to Docket if all of the withdrawn lands have already been offered competitively within the last 2 years.	
Docket	9.	If entire withdrawal, close case file.	
Adjudication	10.	<u>OPTIONAL</u> : Include lands that have not been processed for competitive sale within the past 2 years on the preliminary list for future competitive auction.  Reverse Side Intentionally Blank	

## H-3110-1 - NONCOMPETITIVE LEASES

KeywordsXIV. Amendment to Lease

After the competitive leasing process has concluded in accordance with 43 CFR Part 3120, and a noncompetitive lease is issued for only part of the lands described in a lease offer filed in accordance with 43 CFR 3110.1, the original lease may be amended to include any lands erroneously omitted. The offeror/lessee may elect to receive a separate lease in lieu of an amendment, unless a withdrawal is properly received in writing in the proper BLM office prior to issuance of the lease amendment. The annual rental rate and the primary lease term for the lands added by a lease amendment are to be the same as if the lands had been included in the original lease when issued.

AMENDMENT  
TO LEASE

A. Processing an Amendment to a Lease

If the lands erroneously omitted from the lease are identified within the same lease year in which the original lease was issued, and the offeror does not request a separate lease, the BLM authorized officer is to execute an Oil and Gas Lease Amendment (see Illustration 24). No action or consent is required of the offeror with regard to the lease amendment. If more than one lease amendment is issued, the amendments shall be numbered consecutively.

## Responsible

Official	Step	Action	Keywords
ALMRS Entry	1.	Enter Action Date (MANDATORY ACTION CODE): Date suspended action is lifted; DE 1775 Action Code 316/DE 2910 Action Code 678; <u>OR</u>	AUTOMATED NOTATION
	2.	Remove DE 1775 Action Code 008/DE 2910 Action Code 127 (action suspended).	
	3.	Enter Action Date (MANDATORY ACTION CODE): Date lease amendment issued; DE 1775 Action Code 607/DE 2910 Action Code 238; Action or General Remarks: Explanation for lease amendment.	

## H-3110-1 - NONCOMPETITIVE LEASES

KeywordsB. Processing a Separate Lease in Lieu of a Lease Amendment

If the offeror elects to receive a separate lease for the lands omitted from the original lease, the election to receive the separate lease in lieu of the lease amendment must be received in a signed statement from the offeror, accompanied by a new lease offer submitted on the current BLM-approved form. The new lease offer must describe the omitted lands remaining in the original lease offer. No new filing fee is to be required with such an offer, and the first year's advance rental held in connection with that portion of the original lease offer is to be applied to the new offer. A new serial number is assigned and is to be cross-referenced to the original lease. A copy of the original lease offer and accounting advice are to be placed in the new lease case file. When such a separate lease is issued, it is dated in accordance with 43 CFR 3110.3-2 (see Section XII.B, above).

SEPARATE LEASE  
IN LIEU OF  
LEASE AMENDMENT

## Responsible

Official	Step	Action	Keywords
ALMRS Entry	1.	Enter Action Date (MANDATORY ACTION CODE): Date separate lease established; DE 1775 Action Code 001/DE 2910 Action Code 387; Action Remarks: Enter "AMENDMENT TO (serial number of original lease).	AUTOMATED NOTATION
	2.	Enter Action Date (MANDATORY ACTION CODE): Date lease signed; DE 1775 Action Code 176/DE 2910 Action Code 237.	
	3.	Enter Action Date (MANDATORY ACTION CODE, WHEN APPLICABLE FOR FRACTIONAL U.S. INTEREST LANDS): Enter date lease signed; DE 1775 Action Code 448/DE 2910 Action Code 527; Action Remarks: Percentage of Federal mineral ownership when U.S. mineral interests are less than 100%.	
	4.	Enter Action Date (MANDATORY ACTION CODE IF LANDS ARE IN MORE THAN ONE COUNTY): Enter date lease signed and lands are in two or more counties; DE 1775 Action Code 417/DE 2910 Action Code 523; Action Remarks: Enter acres and State and county codes from DE 0002	

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible Official	Step	Action	Keywords
	5.	Enter Action Date (MANDATORY ACTION CODE): Effective date of lease; DE 1775 Action Code 225/DE 2910 Action Code 868.	
	6.	Enter Action Date (MANDATORY ACTION CODE): Enter 12 1/2 percent royalty rate; DE 1775 Action Code 102/DE 2910 Action Code 530.	
	7.	For acquired lands mineral lease: Enter Action Date (MANDATORY ACTION CODE FOR ACQUIRED LANDS MINERALS): Enter fund symbol; DE 1775 Action Code 444/DE 2910 Action Code 496; Action Remarks: Fund symbol argument code from DE 3042; <u>OPTIONAL</u> : Also enter Treasury fund symbol, including proclaimed unit number (refuge code) in Action Remarks.	
		<u>NOTE</u> : See Appendix 1 for a listing of the Treasury Symbols.	
	8.	Enter Action Date (MANDATORY ACTION CODE): Date lease expires; DE 1775/2910 Action Code 763.	

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## H-3110-1 - NONCOMPETITIVE LEASES

KeywordsXV. Noncompetitive Future Interest Offers

This section of the Handbook provides guidance and procedures for adjudicating and issuing noncompetitive future interest oil and gas leases, and should be used in conjunction with Manual Section 3110.9 and Handbook 3120-1, Section III.A.

FUTURE  
INTEREST  
OFFER

A. Application

Because no lease may be issued under the Reform Act without first being offered through the competitive sale process, the present interest holder may gain a priority to a Federal future interest lease for the lands involved by: (1) making a successful competitive bid over any other applicant's noncompetitive presale offer, whose offer is nullified by the competitive bid, or (2) being the priority presale offeror if the parcel fails to receive a bid at the oral auction (thereby nullifying the ability of any other party to obtain a postsale noncompetitive offer).

A future interest offer to lease must be made on the current BLM-approved lease offer Form 3100-11 or on unofficial copies of the current form. Future interest offers may include tracts in which the United States owns a fractional present interest as well as the future interest for which a lease is sought.

## H-3110-1 - NONCOMPETITIVE LEASES

B. Action for Receiving Application

Responsible Official	Step	Action	Keywords
Receiving Official	1.	Receive offer Form 3100-11. Check that offer is on current form and correct number of copies (original and two) are filed, with \$75 filing fee. (See 43 CFR 3103.2-1 and 3103.2-2, Manual Section 3110.42, and Section V, above.)	FUTURE INTEREST OFFER FILED
	2.	Date and time stamp at least one copy of offer form, preferably the copy with the original signature (see Section III.F, above).	
	3.	Assign serial number and validate filing fee.	
	4.	Prepare accounting advice and place two copies (green and goldenrod) in case file.	
	4a.	Note that no rental shall be due to the U.S. prior to the vesting of the oil and gas rights in the U.S.	
	5.	Send case file through Docket to official responsible for ALMRS Entry.	
ALMRS Entry	6.	The following reflects the most common action code(s) to be utilized. Reference is to be made to the current Data Standards for Oil and Gas Lease Cases and the current Data Element Dictionary for additional requirements	AUTOMATED NOTATION
	6a.	Establish the case in ALMRS (Case Type 311123 or Case Type 311124).	
	6b.	Enter Action Date (MANDATORY ACTION CODE): Date future interest offer received; DE 1775 Action Code 001/DE 2910 Action Code 124.	
	7.	Send case file to Title Records, as appropriate, for notation on oil and gas plats/status records.	

H-3110-1 - NONCOMPETITIVE LEASES

Responsible Official	Step	Action	Keywords
Title Records	8.	Note future interest offer on oil and gas plats/status records (or other appropriate records) and file a copy in the case file.	RECORDS NOTATION
	9.	Route case file to Adjudication through Docket.	
ALMRS Entry	10.	If all or part of lands are a presale offer:  Enter Action Date (MANDATORY ACTION CODE): Date presale future interest offer received; DE 1775 Action Code 041/DE 2910 Action Code 128.	AUTOMATED NOTATION
	11.	Enter Action Date (MANDATORY ACTION CODE, WHEN APPLICABLE): Enter date offer is received; DE 1775 Action Code 448/DE 2910 Action Code 527; Action Remarks: Percentage of Federal mineral ownership when U.S. mineral interests are less than 100%.	

## H-3110-1 - NONCOMPETITIVE LEASES

C. Action on Lease Offer

Responsible Official	Step	Action	Keywords
Adjudication	1.	Check case file for the following:	FUTURE INTEREST OFFER ADJUDICATED
	1a.	Proper \$75 filing fee submitted.	
	1b.	Offer is filed on the current lease form (Form 3100-11), with correct number of copies (original and two copies).	
	1c.	Note that no rental or royalty shall due to the U.S. prior to the vesting of the oil and gas rights in the U.S. However, if the first year's advance rental has been submitted with the future interest offer, the rental is to be retained in the BLM suspense account during the processing of the lands for the competitive sale process.	
	1d.	Verify that vesting date is correct.	
	1e.	Check for conflicts and/or existing private leases on the lands that will vest to the U.S. that predate the date the U.S. will acquire the minerals (see Handbook 3120-1, Section III.A).	
	1f.	Check information provided by applicant giving the name and address of the SMA, if known. Note that failure to provide this information shall not result in a loss of priority of the offer.	
	1g.	Check for proper legal land description and any facts concerning any contracts/leases or agreements for actual or potential development of the lands involved.	

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible Official	Step	Action	Keywords
	1h.	If the lands are acquired, request a title report (see Illustration 25), consent, and stipulations from acquiring agency.	ACQUIRING AGENCY CONSENT TO LEASE
	1i.	If the SMA is the Forest Service, consent to lease also must be obtained for public domain minerals as well as acquired lands minerals.	
	1j.	Include lands in a parcel or parcels on the competitive sale list, in accordance with Handbook 3120-1. Indicate on competitive sale notice those parcels having presale offers.	

## H-3110-1 - NONCOMPETITIVE LEASES

D. Action for Processing Offer for Approval

Responsible Official	Step	Action	Keywords
Adjudication	1.	If the acquiring agency agrees to leasing, and if no bid was received for the parcel at the oral auction, attach stipulations to the lease form (Form 3100-11).	LEASE FORMS AND STIPULATIONS
	2.	Attach the Notice to Lessee concerning MLA Section 2(a)(2)(A) to lease form.	
	3.	Complete the lease form to issue the future interest noncompetitive lease.	
	3a.	Check that "Acquired" box is marked, and show the percent of United States interest under Item 2.	
	3b.	Complete Item 3 on lease form from worksheet, if different from land description in offer submitted.	
	3c.	At bottom of lease form, check the box for "Noncompetitive lease (10 years)," and check "Other," entering "Future interest lease" (see Illustration 26).	
	4.	When a stipulation is added, deleted, or revised after the official posting of the sale notice but prior to the issuance of a noncompetitive lease, use the following steps:	STIPULATION CHANGES, ADDITIONS, AND DELETIONS
	4a.	If the stipulation revision, addition, or deletion would increase the value of the parcel, withdraw the parcel from the sale notice and readvertise for offering at a future auction in a subsequent sale notice with all the correct stipulations.	
	4b.	Return any postsale noncompetitive offer with all monies refunded (first year's advance rental (if remitted) and filing fee).	

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible Official	Step	Action	Keywords
	4c.	Any presale noncompetitive offer must be held in pending status until conclusion of the future oral auction offering the parcel.	
	4d.	If it is determined that the stipulation change would not increase the value of the parcel, the lands continue to be available for noncompetitive offer during the 2-year period if a presale offer had not been filed. However, before issuing a noncompetitive future interest lease, post a notice for 45 days in the State Office Public Room and at the appropriate local BLM Field Office to advise the public of the specific stipulation change, addition, or deletion.	
	4e.	If no adverse public response is received during the 45-day period, send a notice to the offeror providing a 30-day period to sign the specific changed or added stipulation (see Illustration 15).	
	4f.	If the offeror accepts the revised or added stipulation, continue to process the lease to issuance as described below.	
	4g.	If the offeror refuses to sign the stipulation change, refund all monies (first year's advance rental (if remitted) and filing fee).	STIPULATION CHANGE REFUSED - REFUND ALL MONIES
	4h.	If a second priority offer exists, provide that party 30 days by notice in which to sign and accept the revised or added stipulation.	

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible	Official	Step	Action	Keywords
		4i.	If all the remaining offerors refuse to accept the lease, the lands remain available for noncompetitive leasing with the changed stipulation for the remainder of the 2-year period.	
		4j.	If adverse public response is received, handle the response as if it were a protest. That is, if the BLM agrees with the adverse response, the BLM is to withdraw the land. Refund to the offeror all monies, including the \$75 filing fee, and give the offeror the right of appeal.	
		4k.	If the adverse response (protest) is denied, offer the lease to the offeror with the changed stipulation as described above, and give the protestant the right of appeal.	
		4l.	If an appeal is filed, notify the offeror of the pending appeal.	
		5.	If unit/CA is involved and notice has been received of acceptance of joinder, a lease may be issued.	
		5a.	If part of lands in offer are outside the boundary of a unit/CA that was approved after the sale notice was officially posted, segregate into two parcels and request joinder for the parcel that is within the agreement boundaries (see Step VIII.A.13g, above, and Illustration 11).	
		5b.	If the future interest offeror is unable to obtain joinder from the unit operator after an extended time period, request the offeror to provide the reasons for failure to join the unit.	UNIT JOINDER CANNOT BE OBTAINED

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible Official	Step	Action	Keywords
	5c.	The BLM authorized officer responsible for review and approval of unit actions must determine, based on the information submitted by the offeror, whether the lease can be operated independently of the unit. If the lease can operate independently, the future interest lease can be issued without unit joinder.	
	5d.	Where the terms of the private unit agreement are in conflict with Federal regulations, the Federal regulations shall prevail.	
	6.	Issue future interest lease to be effective the day of the month when the mineral interests vest in the United States.	
	6a.	Where the U.S. owns both a present fractional interest and a future fractional interest of the minerals in the same tract, the lease, when issued, shall cover both the present and future interest in the lands. The effective date and primary term of the present interest lease is unaffected by the vesting of a future fractional interest. A lease for the future fractional interest, when such interest vests to the United States, shall have the same primary term and anniversary date as the present fractional interest lease.	PRESENT AND FUTURE FRACTIONAL INTEREST
	7.	Complete the accounting advice:	ACCOUNTING ADVICE -
	7a.	Enter the proper coding for the lease anniversary date, which is the date the minerals vest in the U.S. (see Illustration 27).	FUTURE INTEREST LEASE IN MMS-DMD
	7b.	Enter the correct date for the lease expiration date, 10 years later.	

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible Official	Step	Action	Keywords
	7c.	Indicate the vesting date of the mineral interests in the "Remarks" space of the accounting advice.	
	7d.	Note that the MMS automated system now accepts a first-year rental payment for a future interest lease in advance of the vesting date of the minerals. Accordingly, forward the accounting advice for the first year's advance rental (if paid) at the time of issuance of the future interest lease. Note in the "Remarks" space for the MMS-DMD to apply the rental. In this case, the MMS-DMD will begin sending the courtesy billing notice for the second lease year's rental due. Otherwise, the billing notice will be sent by the MMS-DMD for the first year's rental that is due upon the vesting date of the minerals in the U.S.	
	8.	Stamp "Original" or "File" on the originally signed lease offer form for the case file.	LEASE COPIES DESIGNATED
	8a.	Stamp "Lessee" on the first copy of lease offer. Stamp second copy for the SMA.	
	9.	Prepare routing slip and records worksheet. Route lease for signature by the BLM authorized officer.	
Signing Official	10.	Sign the original of lease Form 3100-11 and use signature stamp on lessee/SMA copies of lease form.	
Adjudication	11.	Make distribution in accordance with State Office procedures, with one copy to SMA and one copy to Field Office Operations.	

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible Official	Step	Action	Keywords
	12.	If, after a lease is signed, issued, and mailed to the lessee, it is discovered that some or all of the lease stipulations that were identified in the Notice of Competitive Lease Sale as being applicable to the parcel were not attached as part of the lease, send the stipulations by a notice to the lessee, ensuring that a copy of the notice and stipulations are placed in the case file. The notice to the lessee is simply a courtesy since the stipulations are binding and the lessee has full awareness of the stipulations placed on the parcel as it was advertised in the sale notice. (See 43 CFR 3101.1-3.)	STIPULATIONS INADVERTENTLY NOT ATTACHED TO LEASE
ALMRS Entry	13.	Update lease issuance:	AUTOMATED NOTATION
	13a.	Enter Action Date (MANDATORY ACTION CODE): Date lease signed; DE 1775 Action Code 176/DE 2910 Action Code 237.	
	13b.	ACTION CODE, WHEN APPLICABLE FOR FRACTIONAL U.S. INTEREST LANDS): Enter date lease signed (or offer was received); DE 1775 Action Code 448/DE 2910 Action Code 527; Action Remarks: Percentage of Federal mineral ownership when U.S. mineral interests are less than 100%.	
	13c.	Enter Action Date (MANDATORY ACTION CODE IF LANDS ARE IN MORE THAN ONE COUNTY): Enter date lease signed and lands are in two or more counties; DE 1775 Action Code 417/DE 2910 Action Code 523; Action Remarks: Enter acres and State and county codes from DE 0002.	
	13d.	Enter Action Date (MANDATORY ACTION CODE): Effective date of lease; DE 1775 Action Code 225/DE 2910 Action Code 868.	

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible Official	Step	Action	Keywords
	13e.	Enter Action Date (MANDATORY ACTION CODE): Enter 12 1/2 percent royalty rate; DE 1775 Action Code 102/DE 2910 Action Code 530.	
	13f.	For acquired lands mineral lease: Enter Action Date (MANDATORY ACTION CODE FOR ACQUIRED LANDS MINERALS): Enter fund symbol; DE 1775 Action Code 444/DE 2910 Action Code 496; Action Remarks: Fund symbol argument code from DE 3042; <u>OPTIONAL</u> : Also enter Treasury fund symbol, including proclaimed unit number (refuge code) in Action Remarks.	AUTOMATED NOTATION - FUND SYMBOL FOR ACQUIRED LANDS MINERALS
		<u>NOTE</u> : See Appendix 1 for a listing of the Treasury Symbols.	
	13g.	Enter Action Date (MANDATORY ACTION CODE): Date minerals vest in the U.S.; DE 1775 Action Code 587/DE 2910 Action Code 884; Action Remarks: Fractional percent of U.S. ownership (when applicable).	
	13h.	Enter Action Date (MANDATORY ACTION CODE): Date lease expires; DE 1775/2910 Action Code 763.	
Adjudication	14.	Send case file to Title Records through Docket for notation of appropriate records.	
	15.	Send accounting advice to Accounts.	
Title Records	16.	Note future interest lease issuance on oil and gas plat/status records and HI (or other appropriate) records.	RECORDS NOTATION
	17.	Return case file to Docket.	
Docket	18.	File case file with active cases.	

## H-3110-1 - NONCOMPETITIVE LEASES

Responsible

Official	Step	Action	Keywords
		<p><u>NOTE:</u> All future interest noncompetitive lease offers filed prior to the Federal Onshore Oil and Gas Leasing Reform Act are "grandfathered," and each offer must be processed under the appropriate regulations that were in effect at the time the offer was filed.</p>	<p>PRE-REFORM ACT "GRANDFATHERED" FUTURE INTEREST LEASE OFFERS</p>

## H-3110-1 - NONCOMPETITIVE LEASES

Glossary of Terms

- P -

parcel integrity period: that period of time, beginning on the first business day following the end of the competitive oral auction and continuing for the remainder of that same month. Offers filed in the proper BLM office during this period must be for a single entire parcel and must describe the lands by the specific parcel number appearing in the Notice of Competitive Lease Sale.

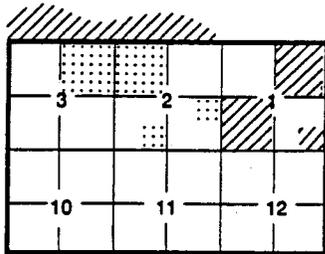
postsale offer: a filing submitted to the proper BLM office for lands that have been offered competitively under 43 CFR Part 3120 and for which no bids were received. The filing period begins on the first business day following the last day of the competitive oral auction. Such lands shall be available for noncompetitive offer for a period of 2 years. A noncompetitive lease may be issued from an offer for such lands properly filed any time within the 2-year noncompetitive leasing period.

presale offer: a filing submitted to the proper BLM office for a noncompetitive lease made prior to the competitive offering of the described lands after January 2, 1989, in accordance with 43 CFR 3110.1(a)(1). A presale offer cannot include lands that are in the 1-year period commencing upon expiration, termination, relinquishment, or cancellation of a lease, and cannot include lands that are contained in an officially posted Notice of Competitive Lease Sale. The preliminary sale notice list, which is made available in the Public Room of some BLM State Offices, is not considered to be an officially posted sale notice. For expired, terminated, relinquished, and cancelled leases, the 1-year period begins on the actual date of expiration, termination, relinquishment, or cancellation and not on the date when the records have been noted.

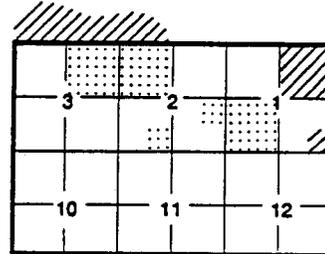
H-3110-1 - NONCOMPETITIVE LEASES

Public Domain Minerals Land Description Diagram  
for Lower 48 States and for Alaska

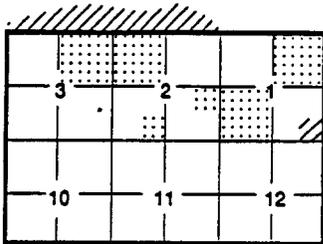
**Land Description Diagram**  
(For Lower 48 States)



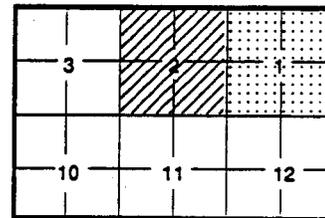
**400 acres Reject**



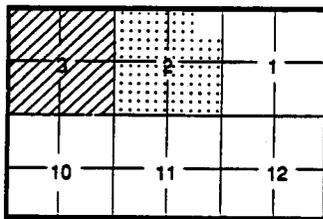
**560 acres Reject**



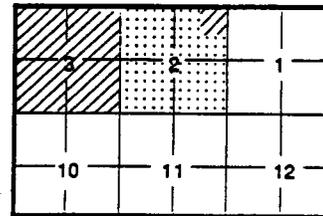
**720 acres Accept**



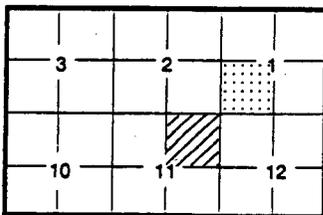
**620 acres Reject  
(620 A. Irregular section)**



**660 acres Accept  
(700 A. Irregular section)**



**660 acres Reject  
(700 A. Irregular section)**



**160 acres Accept**

**LEGEND**

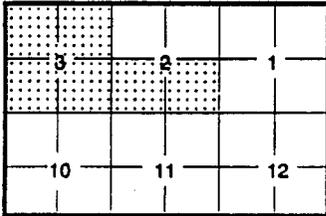
 Included in offer

 Available for Lease

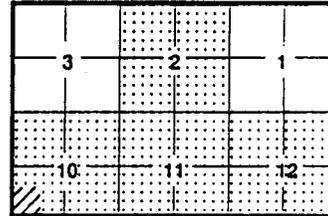
H-3110-1 - NONCOMPETITIVE LEASES

Public Domain Minerals Land Description Diagram  
for Lower 48 States and for Alaska

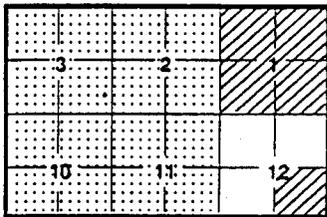
Land Description Diagram  
(For Alaska only)



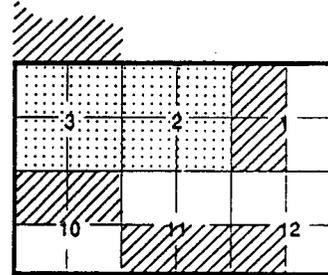
960 acres Accept



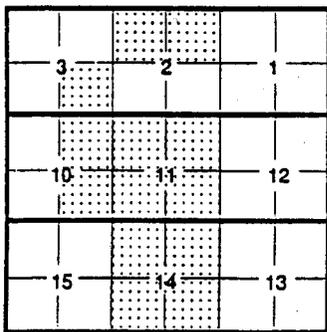
2,560 acres Reject  
(680 acres irregular section)



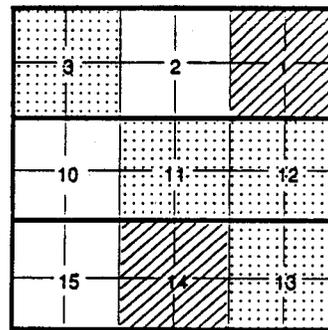
2,522 acres Reject  
(irregular sections 3 & 10)



1,280 acres Reject



2,080 acres Accept



2,560 acres Accept

LEGEND

 Included in offer

 Available for Lease

H-3110-1 - NONCOMPETITIVE LEASES

Format for Decision Requesting Partial Withdrawal of  
Excess Acreage

IN REPLY REFER TO



United States Department of the Interior  
BUREAU OF LAND MANAGEMENT

3110 (Office Code)  
Serial No.

CERTIFIED MAIL--RETURN RECEIPT REQUESTED

Offeror/Address	DECISION	
	:	
	:	Noncompetitive
	:	Oil and Gas
	:	
	:	

Excess Acreage Withdrawal Required  
Offer Held for Rejection

The total acreage in oil and gas lease offer (Serial number) exceeds the 10,240-acre maximum set by 43 CFR 3110.3-3(b) by (Number) acres. In accordance with 43 CFR 3110.3-3(c), you may withdraw some of the lands from your offer sufficient to reduce the acreage to the 10,240 maximum.

The withdrawal must be submitted to this office within 30 days of receipt of this decision. Failure to do so will result in the rejection of the offer without further notice upon the conclusion of this 30-day compliance period. During this compliance period there is no right of appeal to the Interior Board of Land Appeals, and an appeal filed within the compliance period is subject to dismissal as being premature. The 30-day appeal period commences upon the expiration of the 30-day compliance period.

Standard appeal paragraph (see Handbook 3100-1, Chapter 1).

Authorized Officer

Enclosure  
Form 1842-1

Distribution:

H-3110-1 - NONCOMPETITIVE LEASES

Public Domain Noncompetitive Oil and Gas

Lease Offer (Form 3100-11)

Form 3100-11  
(October 1992)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Serial No.

OROR 70009

**OFFER TO LEASE AND LEASE FOR OIL AND GAS**

The undersigned (*reverse*) offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name ABC Oil Company  
Street 149 Main Street  
City, State, Zip Code Boise, Idaho 83706

2. This application/offer/lease is for: (Check *only One*)  PUBLIC DOMAIN LANDS  ACQUIRED LANDS (percent U.S. interest \_\_\_\_\_)

Surface managing agency if other than BLM: \_\_\_\_\_ Unit/Project \_\_\_\_\_

Legal description of land requested: \*Parcel No.: OR-12193-14 \*Sale Date (m/d/y): 12 / 1 / 93

\*SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.

T. \_\_\_\_\_ R. \_\_\_\_\_ Meridian \_\_\_\_\_ State \_\_\_\_\_ County \_\_\_\_\_

Amount remitted: Filing fee \$ 75.00 Rental fee \$ 2,280.00 Total acres applied for 1,520.00  
Total \$ 2,355.00

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. 40 S., R. 3 E., Meridian Willamette State Oregon County Jackson

Sec. 21, ALL;  
Sec. 27, N2, SW4, N2SE4;  
Sec. 28, W2

Total acres in lease 1,520.00  
Rental retained \$ 2,280.00

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas (*except helium*) in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

THE UNITED STATES OF AMERICA

Noncompetitive lease (ten years)

by /s/ Authorized Officer  
(Signing Officer)

Competitive lease (ten years)

Chief, Adjudication Section 12/17/93  
(Title) (Date)

Other \_\_\_\_\_

EFFECTIVE DATE OF LEASE 1/1/94

(Continued on reverse)

## H-3110-1 - NONCOMPETITIVE LEASES

## Public Domain Noncompetitive Oil and Gas

## Lease Offer (Form 3100-11)

4. (a) Undersigned certifies that (1) offeror is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State, do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 15th day of September, 19 93 /s/ Attorney-in-Fact

(Signature of Lessee or Attorney-in-fact)

## LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

- (a) Noncompetitive lease, \$1.50 for the first 5 years; thereafter \$2.00;
- (b) Competitive lease, \$1.50; for the first 5 years; thereafter \$2.00;
- (c) Other, see attachment, or as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

- (a) Noncompetitive lease, 12½%;
- (b) Competitive lease, 12½%;
- (c) Other, see attachment; or as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plans and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports

costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of untaxed substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

U.S. GPO: 1982-774-017/87034

H-3110-1 - NONCOMPETITIVE LEASES

Acquired Land Noncompetitive Oil and Gas

Lease Offer (Form 3100-11)

Form 3100-11  
(October 1992)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Serial No.

OROR 70003

**OFFER TO LEASE AND LEASE FOR OIL AND GAS**

The undersigned (reverse) offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name ZXX Oil Company  
Street 789 Maple Drive  
City, State, Zip Code Salt Lake City, UT 84101

2. This application/offer/lease is for: (Check only One)  PUBLIC DOMAIN LANDS  ACQUIRED LANDS (percent U.S. interest 75%)  
Surface managing agency if other than BLM: U.S. Forest Service Unit/Project Lake Carl Blackwell

Legal description of land requested: \*Parcel No.: \_\_\_\_\_ \*Sale Date (m/d/y): \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

\*SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.

T. 20 N., R. 1 E., Meridian Willamette State Oregon County Lane

Sec. 31: Lot 7;  
Sec. 32: Lots 3, 4, 5, 6, 7, 8

Amount remitted: Filing fee \$ 75.00

Rental fee \$ 474.00

Total acres applied for 315.30  
Total \$ 549.00

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. 20 N., R. 1 E., Meridian Willamette State Oregon County Lane

Sec. 31, Lot 7 (51.31 acres);  
Sec. 32, Lot 8 (52.00 acres)

75% U.S. Mineral Interest

Total acres in lease 103.31  
Rental retained \$ 156.00

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas (except helium) in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

THE UNITED STATES OF AMERICA

Noncompetitive lease (ten years)

by /s/ Authorized Officer  
(Signing Officer)

Competitive lease (ten years)

Chief, Adjudication Section 12/17/93  
(Title) (Date)

Other \_\_\_\_\_

EFFECTIVE DATE OF LEASE 1/1/94

(Continued on reverse)

## H-3110-1 - NONCOMPETITIVE LEASES

## Acquired Land Noncompetitive Oil and Gas

## Lease Offer (Form 3100-11)

4. (a) Undersigned certifies that (1) offeror is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State, do not exceed 246,060 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 11th day of August, 19 93 /s/ Attorney-in-Fact  
(Signature of Lessor or Attorney-in-fact)

## LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

- (a) Noncompetitive lease, \$1.50 for the first 5 years; thereafter \$2.00;
- (b) Competitive lease, \$1.50 for the first 5 years; thereafter \$2.00;
- (c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

- (a) Noncompetitive lease, 12 1/4 %;
- (b) Competitive lease, 12 1/4 %;
- (c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amount and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plans and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports

costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States, maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

H-3110-1 - NONCOMPETITIVE LEASES

Format for Decision Requesting Additional Rental for a  
Minimal Deficiency

IN REPLY REFER TO



United States Department of the Interior  
BUREAU OF LAND MANAGEMENT

3110 (Office Code)  
Serial No.

CERTIFIED MAIL--RETURN RECEIPT REQUESTED

Lessee/Address	:	
	:	DECISION
	:	Noncompetitive
	:	Oil and Gas
	:	
	:	

*DONOT use  
1-step decisions  
see attached  
sample*

Additional Rental Required

On (Date) you submitted a noncompetitive oil and gas lease offer (copy enclosed). The Federal oil and gas leasing regulations at 43 CFR 3103.2-1(a) allow that a nominal rental deficiency is correctable within 30 days of notice.

A total of \$ (Amount) has been submitted for this offer. The offer contains (Number) acres, requiring a first year's rental in the amount of \$ (Amount). The balance of \$ (Amount) must be paid before the lease will be issued. Please return the enclosed extra copy of this decision with your remittance to the address shown on this letterhead so that we can credit the proper lease offer.

You are allowed 30 days from receipt of this decision in which to furnish the additional rental. Failure to timely meet this requirement will result in rejection of your offer without further notice. You have 30 days in which to appeal this decision after the expiration of the 30-day compliance period. An appeal during the compliance period is subject to dismissal as being premature. If the additional required rental is not submitted and no appeal is filed, the rental submitted with the lease offer will be refunded at the end of the appeal period.

Standard appeal paragraph (see Handbook 3100-1, Chapter 1).

Authorized Officer

Enclosures  
Copy of lease offer  
Duplicate copy of decision

Distribution:

H-3110-1 - NONCOMPETITIVE LEASES

Format for Decision for Errors Resulting from  
Miscalculation of Acreage by BLM

IN REPLY REFER TO



United States Department of the Interior  
BUREAU OF LAND MANAGEMENT

3110 (Office Code)  
Serial No.

CERTIFIED MAIL--RETURN RECEIPT REQUESTED

	DECISION	
Lessee/Address	:	
	:	Noncompetitive
	:	Oil and Gas
	:	
	:	

Additional Rental Required  
Acreage Adjustment

On     (Date)     you submitted a noncompetitive oil and gas lease offer (copy enclosed) for parcel     (Number)     as listed on the     (Date)     Notice of Competitive Lease Sale.

The acreage as listed on the sale notice is in error. The parcel actually contains     (Number)     acres, requiring an advance first year's rental in the amount of \$     (Amount)    . You submitted \$     (Amount)    , leaving a balance of \$     (Amount)    , which must be paid before a lease will be issued.

In accordance with the Federal regulations at 43 CFR 3103.2-1(b), you are allowed 15 days upon receipt of this decision to submit the balance due. Please return the enclosed extra copy of this decision with your remittance to the address shown on this letterhead so that we can credit the proper lease offer.

Failure to timely meet this requirement will result in rejection of your offer without further notice. You have 30 days in which to appeal this decision after the expiration of the 15-day compliance period. An appeal during the compliance period is subject to dismissal as being premature.

If you elect to not submit the additional fees, your \$75.00 filing fee and rental will be refunded at the end of the appeal period, if no appeal is filed. We apologize for any inconvenience.

Standard appeal paragraph (see Handbook 3100-1, Chapter 1).

Authorized Officer

Enclosures  
Copy of lease offer  
Duplicate copy of decision

Distribution:

H-3110-1 - NONCOMPETITIVE LEASES

Format for Notice Posted for the Record of Omitted  
Noncompetitive Offer Advising Parties that a  
Reselection May be Held

IN REPLY REFER TO



United States Department of the Interior  
BUREAU OF LAND MANAGEMENT

3110 (Office Code)  
Serial No.

Date:

NOTICE

On this date the Bureau of Land Management, (Name) State Office, does hereby serve notice to all parties seeking to obtain any interest in, or an option to acquire any interest therein through purchase or any other means, in oil and gas lease (Serial number), that it has come to the attention of this office that additional noncompetitive lease offers were timely received on the day following this office's (Sale date) Competitive Oil and Gas Lease Sale, but were inadvertently omitted from the public drawing required to be held in accordance with 43 CFR 3110.2(a). (Number) omitted offers were timely received for Parcel No. (Number) and, under the above-cited regulations, a reselection by a public drawing to include all properly filed offers must be held in accordance with 43 CFR 1821.2-3 in order to determine priority for the issuance of a lease.

This notice is to advise all parties that the noncompetitive oil and gas lease issued in the name of (Lessee) may be subject to cancellation as a result of the required reselection process, excluding any rights held by a bona fide purchaser under the Act of September 21, 1959 (30 U.S.C. 184(h)(2)). If the omitted offer is selected as priority in the reselection and evidence of bona fide purchaser rights are provided, a refund of the first-year's advance rental would be authorized to the unsuccessful party. For official record purposes, a copy of this notice is being filed in the official case file of the involved lease, and a copy of this notice is hereby posted in the (Name) State Office Public Room.

Authorized Officer

POSTED IN PUBLIC ROOM:

(Date)

H-3110-1 - NONCOMPETITIVE LEASES

Format for Notice Posted Announcing Drawing to Include  
Omitted Offer and Describing Procedures for the  
Reselection Process



IN REPLY REFER TO

United States Department of the Interior  
BUREAU OF LAND MANAGEMENT

3110 (Office Code)  
Serial No.

Date:

NOTICE

Notice is hereby given that on (Date), at (Time), the U.S. Department of the Interior, Bureau of Land Management (BLM), (Name) State Office, will conduct a public drawing in the State Office Public Room to determine priority for Parcel No. (Number) offered at the Competitive Oil and Gas Lease Sale held on (Date).

On (Date), it was determined that omitted noncompetitive oil and gas lease offers were timely received on the day following the sale, and under the regulations at 43 CFR 3110.2(a), a public drawing which includes these omitted offers must be held in accordance with 43 CFR 1821.2-3 in order to determine priority for issuance of a noncompetitive oil and gas lease. (Number) omitted offers were received for the parcel identified above. A lease offer filed in the name of (Offeror's name) had originally been selected priority for lease issuance for the parcel.

Procedures for the selection process are as follows. The new drawing shall consist of the omitted offers and the number of blank offers equal to the number of offers which were included in the first selection. If an omitted offer is not selected, the result of the original drawing shall stand. However, if an omitted offer is selected, the selected omitted offer shall displace the offer which was determined to have the priority in the original selection process.

For official record purposes, a copy of this notice is being filed in the official case file of the involved offer, and a copy of this notice is hereby posted in the (Name) State Office Public Room.

Authorized Officer

POSTED IN PUBLIC ROOM:

(Date)

H-3110-1 - NONCOMPETITIVE LEASES

Format for Letter Informing Lessee of Scheduled  
Reselection to Include Omitted Offer



United States Department of the Interior  
BUREAU OF LAND MANAGEMENT

IN REPLY REFER TO

3110 (Office Code)  
Serial No.

CERTIFIED MAIL--RETURN RECEIPT REQUESTED

Any Oil Corporation  
511 First Street  
Denver, CO 80202

Gentlemen:

It has come to the attention of this office that other noncompetitive oil and gas lease offers for Parcel (Number) also were properly and timely received on (Date), the day following the Competitive Oil and Gas Lease Sale, in addition to the offer filed by your corporation. According to the Federal regulations in 43 CFR 1821.2-3, these additional offers should have been included in the drawing which was held to determine the priority of offers. A lease under (Serial number) was issued to you effective (Date). At the time of issuance of a lease to you, this office had not discovered the additional offers which had inadvertently been misplaced.

This is to inform you, and as stated in the enclosed notice, that a drawing will be conducted on (Date) to include the omitted offers. You will be advised of the results of that drawing.

If you have any questions, please contact (Name) of this office at (Telephone).

Authorized Officer

Enclosures  
Notice

Distribution:

H-3110-1 - NONCOMPETITIVE LEASES

Format for Decision for Lease Held for Cancellation  
Requesting Evidence of a Bona Fide Purchaser Prior  
to Date of Discovery of Omitted Offer



United States Department of the Interior  
BUREAU OF LAND MANAGEMENT

IN REPLY REFER TO

3110 (Office Code)  
Serial No.

CERTIFIED MAIL--RETURN RECEIPT REQUESTED

	DECISION	
Lessee/Address	:	
	:	Noncompetitive
	:	Oil and Gas
	:	
	:	

Lease Held for Cancellation  
Additional Evidence Required

The subject oil and gas lease was issued effective (Date), for the following described lands:

These lands were described in the Notice of Competitive Lease Sale as Parcel Number (Number) for the sale held on (Date). No competitive bid was received for this parcel. Noncompetitive offers were received from several parties, including your firm, on (Date), the day following the sale. In the drawing held in accordance with the regulations in 43 CFR 1821.2-3, your offer received priority for issuance of a noncompetitive lease. The lease was issued with an effective date of (Date).

It has come to the attention of this office that another noncompetitive lease offer was properly and timely filed on the day following the sale.

A drawing has been held consisting of a blank card representing your firm's offer and a card affixed with the name of the other offeror. The other offer was drawn as the priority in the resalection held on (Date).

If a bona fide purchaser existed prior to the (Date) discovery by this office of the omitted offer, you must present evidence of such a bona fide purchaser (43 CFR 3108.4). You are allowed a period of 30 days from the date of receipt of this decision to advise this office and submit evidence regarding a bona fide purchaser. Lease (Serial number) issued to your firm will be cancelled without further notice if evidence is not submitted within the time allowed.

H-3110-1 - NONCOMPETITIVE LEASES

Format for Decision for Lease Held for Cancellation  
Requesting Evidence of a Bona Fide Purchaser Prior  
to Date of Discovery of Omitted Offer

2

You have 30 days in which to appeal this decision after the expiration date of the 30-day compliance period. An appeal filed within the compliance period is subject to dismissal as being premature.

Standard appeal paragraph (see Handbook 3100-1, Chapter 1).

Authorized Officer

Enclosure  
Form 1842-1

Distribution:  
Omitted Offerors



H-3110-1 - NONCOMPETITIVE LEASES

Format for Decision Requiring Evidence of Joining  
an Agreement

2

\* The lands within the unit have been segregated into a separate lease offer and will not issue until this office receives notification that the unit joinder has been approved or is not required. NOTICE: Lessees cannot operate independently in a Federal CA.

\* The lands within the unit will retain the original serial number, (Serial number). The lands outside the unit have been segregated and assigned a new serial number, (Serial number). New lease forms have been prepared for the lands outside the unit which must be executed and returned within 30 days to this office so the lease can be issued for this portion of the lands in the original lease offer.

When the evidence is filed with the office indicated above, a copy of the transmittal letter must be filed in this office at the address shown on the letterhead. The operator's permission to operate independently of the unit agreement must be filed in this office.

Thirty days from receipt of this decision are allowed in which to furnish this further evidence. If more time is required, you must request an extension of time in which to comply. If not submitted within the time allowed, your offer will be subject to rejection.

Authorized Officer

Distribution:  
BLM Field Office Operations

\* NOTE: Include language when offer must be segregated.

H-3110-1 - NONCOMPETITIVE LEASES

Format for Request to Field Office Operations for  
Unit Joinder



United States Department of the Interior  
BUREAU OF LAND MANAGEMENT

IN REPLY REFER TO

3110 (Office Code)  
Serial No.

Date:

Memorandum

To: Fluid Minerals Field Office Operations  
From: State Director, (Field Minerals Adjudication Code)  
Subject: Lease Issuance, (Serial Number)

Attached are two copies of a letter received from \_\_\_\_\_ (Name),  
operator of the \_\_\_\_\_ (Name) Unit.

Please advise us if you have any objections to issuance of the above-  
referenced lease without the offeror executing joinder to the subject unit.

A copy of the lease offer showing the lands involved in this offer also is  
attached.

Attachments

Distribution:

H-3110-1 - NONCOMPETITIVE LEASES

Format for Serial Register Page/Case Abstract Entering Issued  
Presale Noncompetitive Lease into ALMRS Case Recordation

03/30/93 USDI \* BUREAU OF LAND MANAGEMENT \* OREGON STATE OFFICE PG 01

SERIAL REGISTER PAGE

GEO STATE: WASHINGTON SERIAL NO: WAOR 43976  
CASE TYPE: 311122 O&G-LEASE (NC,ACQ)-1987  
LEGAL REF: O&G-LEASE (NC,ACQ): ACT 12/22/1987; 43 COMMODITY: OIL & GAS

NAME	ADDRESS	% INTRST INTEREST
AMER HUNTER EXPL	435 4TH AVENUE S W CALGARY, AB	100.00000 ASSIGNEE
VAN BEBBER W G	PO BOX 481742 DENVER, CO 80248	00.00000 LESSEE

M	TOWN	RANGE	SEC	SUBDIVISION	SURFACE MGMT AGENCY
33	40-ON	4-OE	6	LOT 4	BLM

\*\*\*\*\* TOTAL ACRES: 31.970 \*\*\*\*\*

ACTN DATE	CODE	ACTION	ACTION REMARKS	PEND ACT
03/04/1988	124	APLN RECD		
03/04/1988	128	PRE-SALE OFFER		
03/04/1988	527	ACRES-FED INT UNDER 100%	75% IN 31.97 ACRES;	
09/07/1988	675	SALE-LEASE SCHEDULED	PAR 9-88-195;	
09/09/1988	237	LEASE ISSUED		
10/01/1988	496	FUND SYMBOL	04;	
10/01/1988	530	ROYALTY RATE - 12 1/2%		
10/01/1988	868	EFFECTIVE DATE		
11/13/1990	140	ASGN FILED	/A/	
11/26/1990	139	ASGN APPROVED	/A/ EFF. 12/01/90;	
09/30/1998	763	EXPIRES		

COMMENTS:

01 /A/ W.G. VANBEBBER ASGN 100% TO AMERICAN HUNTER EXP.

STATE	ENTITY	ACRES
	SPOKANE DISTRICT WASHINGTON	31.970
WASHINGTON	WHATCOM COUNTY WASHINGTON	31.970
	BLM	31.970

H-3110-1 - NONCOMPETITIVE LEASES

Format for Notice to Lessee Concerning Mineral Leasing Act

Section 2(a)(2)(A) for Attachment to Lease Form 3100-11



United States Department of the Interior  
BUREAU OF LAND MANAGEMENT

IN REPLY REFER TO

NOTICE TO LESSEE

Provisions of the Mineral Lease Act (MLA) of 1920, as amended by the Federal Coal Leasing Amendments Act of 1976, affect an entity's qualifications to obtain an oil and gas lease. Section 2(a)(2)(A) of the MLA, 30 U.S.C. 201(a)(2)(A), requires that any entity that holds and has held a Federal coal lease for 10 years beginning on or after August 4, 1976, and who is not producing coal in commercial quantities from each such lease, cannot qualify for the issuance of any other mineral lease granted under the MLA. Compliance by coal lessees with Section 2(a)(2)(A) is explained in 43 CFR 3472.

In accordance with the terms of this oil and gas lease with respect to compliance by the initial lessee with qualifications concerning Federal coal lease holdings, all assignees and transferees are hereby notified that this oil and gas lease is subject to cancellation if: (1) the initial lessee as assignor or a transferor has falsely certified compliance with Section 2(a)(2)(A), or, (2) because of a denial or disapproval by a State Office of a pending coal action, i.e., arms-length assignment, relinquishment, or logical mining unit, the initial lessee as assignor or as transferor is no longer in compliance with Section 2(a)(2)(A). The assignee, sublessee, or transferee does not qualify as a bona fide purchaser and, thus, has no rights to bona fide purchaser protection in the event of cancellation of this lease due to noncompliance with Section 2(a)(2)(A).

Information regarding assignor, sublessor, or transferor compliance with Section 2(a)(2)(A) is contained in the lease case file as well as in other Bureau of Land Management records available through the State Office issuing this lease.

H-3110-1 - NONCOMPETITIVE LEASES

Format for Notice Requesting Offeror Signature on a  
Revised or Changed Stipulation

IN REPLY REFER TO



United States Department of the Interior  
BUREAU OF LAND MANAGEMENT

3110 (Office Code)  
Serial No.

CERTIFIED MAIL--RETURN RECEIPT REQUESTED

	DECISION	
Offeror/Address	:	
	:	Noncompetitive
	:	Oil and Gas
	:	
	:	

Additional Requirements  
Stipulation(s) Enclosed for Signature

You submitted a noncompetitive lease offer for a lease parcel contained in our most recent competitive oil and gas lease sale.

At the time that the Notice of Competitive Lease Sale was officially posted, the parcel was offered without the enclosed stipulation(s) which has (have) been identified as an additional required lease term (additional required lease terms) and must be made a part of the lease when issued.

You are allowed 30 days from receipt of this notice to sign and return to this office the three (3) copies of the stipulation(s). Upon receipt of the signed stipulation(s) in this office, the oil and gas lease will be issued and a copy provided to you.

Failure to timely meet this requirement will result in rejection of your offer without further notice. You have 30 days in which to appeal this decision after the expiration of the 30-day compliance period. An appeal during the compliance period is subject to dismissal as being premature.

If you do not accept the stipulation(s), the offer will be returned to you with no further action taken. That is, no lease would be issued. All monies submitted with the offer will be refunded, including the \$75 filing fee, after the appeal period has ended, if no appeal is filed. We apologize for any inconvenience.

Standard appeal paragraph (see Handbook 3100-1, Chapter 1).

Authorized Officer

Enclosure  
Stipulation(s) (in triplicate)

Distribution: