

H-3108-1 - RELINQUISHMENTS, TERMINATIONS, AND CANCELLATIONS

Format for Decision of Notification of Default in Lease Terms for
Failure to Pay Annual Rental for Pre-Public Law 83-555 Lease



United States Department of the Interior
BUREAU OF LAND MANAGEMENT

IN REPLY REFER TO

3103/3108 (Office Code)
Serial No.

CERTIFIED MAIL--RETURN RECEIPT REQUESTED

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

Notice of Default in Lease Terms
Annual Rental Payment Required to Meet Lease Terms
Oil and Gas Termination Notice Vacated

Oil and gas lease (Serial number) was segregated out of oil and gas lease (Serial number) that was issued effective June 1, 1951. Leases issued at that time required rental to be paid annually on the anniversary date of the lease. However, when the annual rental is not paid for leases issued at that time, the payment due becomes a debt owed to the United States on the lease anniversary date. This is in contrast to leases issued after the promulgation of the Act of July 29, 1954 (Public Law 83-555), that automatically terminate by operation of the law for failure to pay the annual rental. Therefore, because this lease is not controlled by Public Law 83-555, the July 20, 1994, termination notice is hereby vacated.

The Minerals Management Service has notified this office that the annual rental for lease (Serial number) of \$80.00, due on or before June 1, 1994, was not paid.

If it was the lessee's intention to surrender the lease by not paying the rental, that has not occurred for this lease. However, the lessee may relinquish the lease in its entirety, provided that a written relinquishment of the lease is filed in this office, as allowed by the leasing regulations at 43 CFR 3108.1 (see enclosed copy). The lessee also may request proration of the rental on a pro rata monthly basis for the portion of the lease year prior to the filing of the surrender, i.e., up to the time the relinquishment is filed in this office (30 U.S.C. 188a; see enclosed copy). If this request for proration of the rental is made, the lessee must verify that the nonpayment of the rental was intended for the purpose of surrendering the lease, or such other reason that demonstrates that the failure to file the relinquishment timely was not due to a lack of reasonable diligence on the part of the lessee.

The failure to pay the rental due on before June 1, 1994, is a default in the performance of the lease terms, and this decision constitutes notice of that default under Section 7 of the lease terms and the leasing regulation at 43 CFR 3108.3(a), copy enclosed.

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If the rental of \$80.00 or the lesser amount, if proration is applicable, is not paid, action will be taken to cancel the lease and to collect the amount owed to the United States. However, this action will not be taken until the lessee has had an opportunity to either submit the full payment of \$80.00 for the rental due or the prorated rental amount accompanied by a relinquishment of the lease and a petition for proration of the rental. The lessee is allowed 30 days from the date of receipt of this decision in which to accomplish either one of these alternatives. If the alternative is chosen to relinquish the lease, the check for the prorated rental payment is to be made payable to the Department of the Interior, BLM. However, if the alternative is chosen to make full payment of the \$80.00, make the check payable to the Department of the Interior-MMS, indicate the lease serial number on the check, and mail the check to the following address:

Mineral Management Service
Royalty Management Program
Box 5640
Denver, Colorado 80217

This is an interlocutory decision from which no appeal may be taken. If the lessee does not comply with this decision within the time allowed, a final decision will be issued that may be appealed.

Authorized Officer

3 Enclosures
Regulation 43 CFR 3108.1
Statute 30 U.S.C. 188a
Regulation 43 CFR 3108.3(a)

Distribution:
MMS-DMD, Mail Stop 3110