

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).

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B. Postsale Offers

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).

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).

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.

Keywords

POSTSALE
OFFER
PRIORITY
PROCEDURE

OFFER OMITTED
FROM DRAWING

RESELECTION
PROCESS FOR
OMITTED OFFER
WHEN NO LEASE
HAS YET ISSUED

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Keywords

RESELECTION
PROCESS FOR
OMITTED OFFER
WHEN LEASE HAS
ALREADY ISSUED

2b. 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. Indicate in the notice that the lease that already has been issued may be subject to cancellation as a result of the reselelection process. 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). 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 reselelection, 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.

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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