

## H-3110-1 - NONCOMPETITIVE LEASES

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

<u>Responsible Official</u>	<u>Step</u>	<u>Action</u>	<u>Keywords</u>
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).	

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	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.	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.)	

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	12b.	Original offer form must be manually signed. Failure to date the lease offer is not a fatal deficiency.	
	12c.	Proper rental was received in accordance with 43 CFR 3103.2. (See Manual Section 3110.42 and Section V, above.)	
	12d.	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).	
	12f.	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).	LANDS WITHIN UNIT/UNIT JOINDER
	12h.	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

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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

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B. Action for Processing Offer for Approval

<u>Responsible Official</u>	<u>Step</u>	<u>Action</u>	<u>Keywords</u>
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).	

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		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.	
		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.	
		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.	

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	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.	
	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: 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.	

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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.	ACCOUNTING ADVICE COMPLETED
	10.	Prepare routing slip and records worksheet. Route lease for signature by the BLM authorized officer.	
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

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Responsible Official	Step	Action	Keywords
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.	
	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%.	
	14d.	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.	
	14e.	Enter Action Date (MANDATORY ACTION CODE): Effective date of lease; DE 1775 Action Code 225/DE 2910 Action Code 868.	
	14f.	Enter Action Date (MANDATORY ACTION CODE): Enter 12 1/2 percent royalty rate; DE 1775 Action Code 102/DE 2910 Action Code 530.	

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	14g.	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.	
	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.	

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C. Rejection of Nonpriority Offers

<u>Responsible Official</u>	<u>Step</u>	<u>Action</u>	<u>Keywords</u>
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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