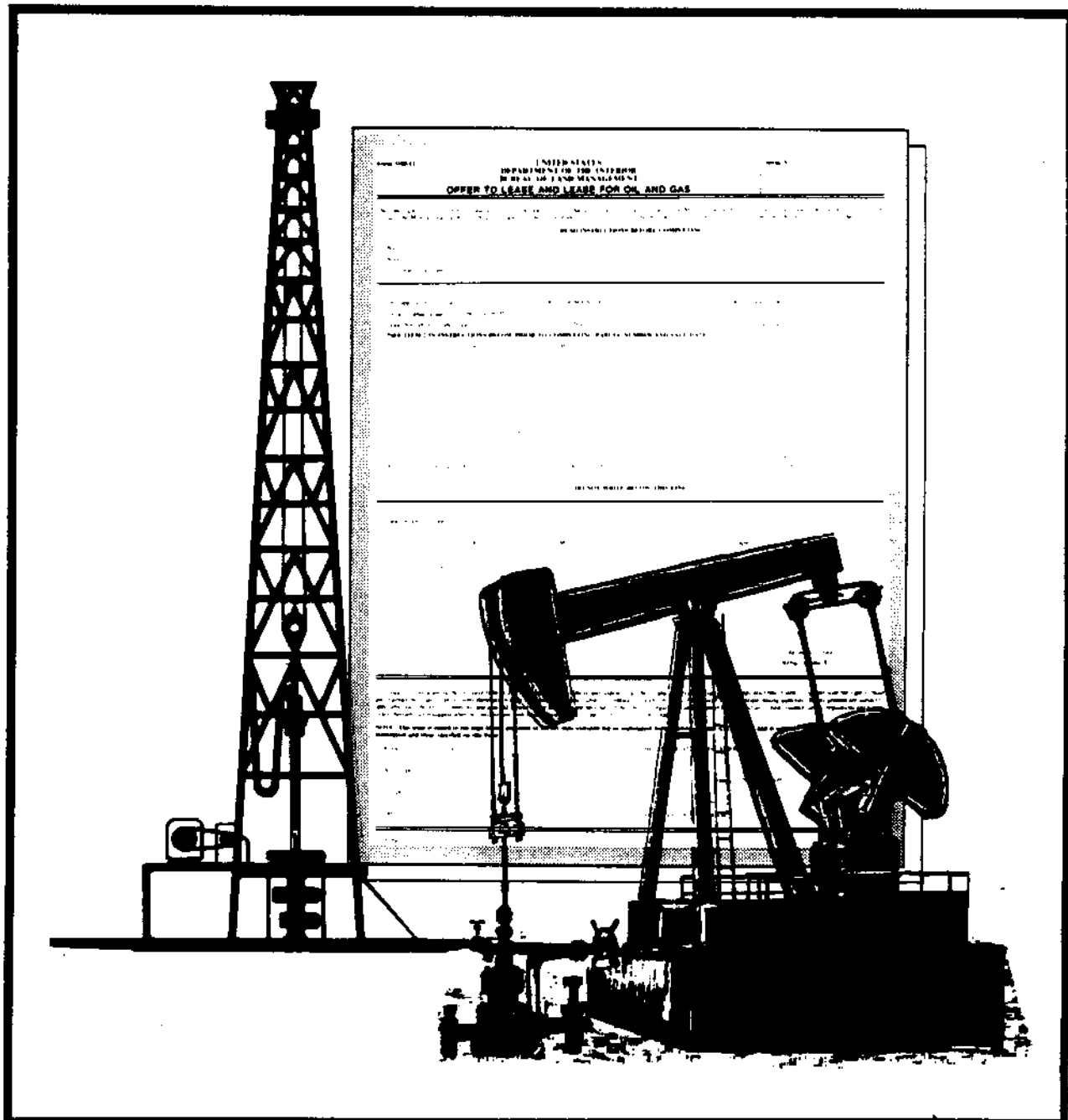




Oil and Gas Adjudication Handbook



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



BLM MANUAL HANDBOOK 3110-1
Revised 1993

H-3110-1 - NONCOMPETITIVE LEASES

Table of Contents

| | <u>Page</u> |
|---|-------------|
| <u>Introduction</u> | 1 |
| <u>I. Lands Available for Noncompetitive Offer and Lease</u> | 1 |
| A. Offers Filed Prior to Competitive Offering of Lands - Presale Offers..... | 1 |
| B. Lease Offers Filed After Competitive Offering of Lands - Postsale Offers..... | 2 |
| <u>II. Lease Offer Size</u> | 3 |
| A. Minimum Lease Offer Size..... | 3 |
| B. Maximum Lease Configuration Limits..... | 5 |
| C. Maximum Lease Size..... | 6 |
| <u>III. Description of Lands in Offer</u> | 7 |
| A. Postsale Offers Filed During Month of Sale..... | 7 |
| B. Offers Filed After Parcel Integrity Period and During 2-year Period..... | 8 |
| C. Public Domain Minerals..... | 9 |
| 1. Surveyed Lands..... | 9 |
| 2. Unsurveyed Lands..... | 9 |
| 3. Protracted Surveys..... | 9 |
| 4. Conforming Land Descriptions..... | 9 |
| 5. Lands in Lakebeds and Riverbeds..... | 9 |
| 6. Conversion of Unpatented Oil Placer Mining Claims..... | 10 |
| D. Acquired Lands Minerals..... | 11 |
| 1. Surveyed Lands..... | 11 |
| 2. Unsurveyed Lands..... | 11 |
| 3. Acquisition or Tract Number..... | 13 |
| 4. Map Requirements..... | 14 |
| E. Accreted Lands..... | 15 |
| F. Conflicting Description Among Copies of Offer..... | 16 |
| 1. Controlling Offer Form..... | 16 |
| 2. Unsurveyed Land Description..... | 16 |
| <u>IV. Lease Offer Requirements</u> | 17 |
| <u>V. Rental Deficiency</u> | 21 |
| A. Lease Issuance After Deficiency Paid..... | 21 |
| B. Rental Change Due to Acreage Miscalculation..... | 22 |
| C. Rental Change Due to Resurvey and Acreage Adjustment..... | 23 |
| <u>VI. Priority of Offer</u> | 25 |
| A. Presale Offers..... | 25 |
| B. Postsale Offers..... | 26 |

H-3110-1 - NONCOMPETITIVE LEASES

| | <u>Page</u> |
|---|-------------|
| VII. <u>Noncompetitive Presale Offers</u> | 29 |
| A. Noncompetitive Presale Offers Filed on Public Domain or Acquired Lands Minerals..... | 29 |
| B. Priority Established..... | 30 |
| C. Action on Presale Lease Offer..... | 31 |
| VIII. <u>Noncompetitive Postsale Offers Filed Day After the Sale</u> | 37 |
| A. Action for Receiving Offer..... | 37 |
| B. Action for Processing Offer for Approval..... | 41 |
| C. Rejection of Nonpriority Offers..... | 47 |
| D. Statistical Reporting Requirements..... | 49 |
| IX. <u>Noncompetitive Postsale Offers Filed During Remainder of Parcel Integrity Period/Month of Sale</u> | 51 |
| A. Action for Receiving Offer..... | 51 |
| B. Action for Processing Offer for Approval..... | 55 |
| C. Rejection of Nonpriority Offers..... | 61 |
| X. <u>Noncompetitive Postsale Offers Filed After Parcel Integrity Period and During 2-year Period</u> | 63 |
| A. Action for Receiving Offer..... | 63 |
| B. Action for Processing Offer for Approval..... | 67 |
| C. Rejection of Nonpriority Offers..... | 73 |
| XI. <u>Noncompetitive Combined (Presale and Postsale) Offers Filed</u> | 75 |
| A. Noncompetitive Offers - Public Domain or Acquired Lands Minerals..... | 75 |
| B. Action for Receiving Offer..... | 76 |
| C. Action for Processing Offer for Approval..... | 82 |
| D. Rejection of Nonpriority Offers..... | 88 |
| XII. <u>Lease Terms</u> | 89 |
| A. Duration of Lease..... | 89 |
| B. Dating of Leases..... | 89 |
| XIII. <u>Withdrawal of Offer</u> | 91 |
| A. Requirements..... | 91 |
| 1. Presale Offer Under 43 CFR 3110.1(a)(1)..... | 91 |
| 2. Postsale Offer Under 43 CFR 3110.1(b)..... | 91 |
| 3. Partial Withdrawal - Public Domain Minerals Offer..... | 91 |
| B. Action on Offer Withdrawal..... | 92 |
| XIV. <u>Amendment to Lease</u> | 95 |
| A. Processing an Amendment to a Lease..... | 95 |
| B. Processing a Separate Lease in Lieu of a Lease Amendment..... | 96 |

H-3110-1 - NONCOMPETITIVE LEASES

| | <u>Page</u> |
|--|-------------|
| XV. <u>Noncompetitive Future Interest Offers</u> | 99 |
| A. Application..... | 99 |
| B. Action for Receiving Application..... | 100 |
| C. Action on Lease Offer..... | 102 |
| D. Action for Processing Offer for Approval..... | 104 |

Glossary of Terms (See also Handbook 3100-1)

Illustrations

1. Public Domain Minerals Land Description Diagram for Lower 48 States and for Alaska
2. Format for Decision Requesting Partial Withdrawal of Excess Acreage
3. Public Domain Noncompetitive Oil and Gas Lease Offer (Form 3100-11)
4. Acquired Land Noncompetitive Oil and Gas Lease Offer (Form 3100-11)
5. Format for Decision Requesting Additional Rental for a Minimal Deficiency
6. Format for Decision for Errors Resulting from Miscalculation of Acreage by BLM
7. Format for Notice Posted for the Record of Omitted Noncompetitive Offer Advising Parties that a Reselection May be Held
8. Format for Notice Posted Announcing Drawing to Include Omitted Offer and Describing Procedures for the Reselection Process
9. Format for Letter Informing Lessee of Scheduled Reselection to Include Omitted Offer
10. Format for Decision for Lease Held for Cancellation Requesting Evidence of a Bona Fide Purchaser Prior to Date of Discovery of Omitted Offer
11. Format for Decision Requiring Evidence of Joining an Agreement
12. Format for Request to Field Office Operations for Unit Joinder Information
13. Format for Serial Register Page/Case Abstract Entering Issued Presale Noncompetitive Lease into ALMRS Case Recordation
14. Format for Notice to Lessee Concerning Mineral Leasing Act Section 2(a)(2)(A) for Attachment to Lease Form 3100-11
15. Format for Notice Requesting Offeror Signature on a Revised or Changed Stipulation
16. Format for Accounting Advice for Public Domain Noncompetitive Lease Issuance
17. Format for Decision Rejecting Offer Not Receiving Priority
18. Format for Reporting Requirements to Washington Office (610) for Noncompetitive Lease Offers Filed On the Day After the Sale
19. Format for Serial Register Page/Case Abstract Entering Issued Postsale Noncompetitive Lease into ALMRS Case Recordation
20. Format for Decision of Offer to Lease Rejected
21. Format for Decision of Offer to Lease Rejected in Part
22. Format for Notice of Offer Suspended
23. Format for Notice of Offer Suspended in Part
24. Format for Oil and Gas Lease Amendment

H-3110-1 - NONCOMPETITIVE LEASES

25. Format for Title Report Request (Form 3100-7)
26. Acquired Lands Noncompetitive Future Interest Oil and Gas Lease (Form 3100-11)
27. Format for Accounting Advice to Establish Future Interest Lease in MMS-DMD When Advance Rental Paid

Appendices

1. Listing of Treasury Symbols for Mineral Lease Rental and Bonus Monies, Including Forest Service Acquired Lands Minerals
2. Listing of ALMRS (Case Recordation) Data Element (DE) 1775 and 2910 Action Codes Applicable to Case Types 311121, 311122, 311123, and 31124 for Handbook 3110-1

Index by Keywords